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# Southeast Asia Report

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12 February 1985

## SOUTHEAST ASIA REPORT

## CONTENTS

## CAMBODIA

SPK Scores Beijing Attacks (SPK, 19 Jan 85) .....	1
Bou Thong Sends Message to SRV Combatants (SPK, 19 Jan 85) .....	3
Briefs KUFNCD Appeals to 'Misled People' .....	4

## INDONESIA

Economic Prospects for 1985 Discussed (Editorial; BUSINESS NEWS, 2 Jan 85) .....	5
Non-Oil Export Projection for 1988/1989 (BUSINESS NEWS, 26 Dec 84) .....	8
Editorial Calls for Thinking About 'Post-Oil Period' Problems (BUSINESS NEWS, 28 Dec 84) .....	9
Development of Paddy Plantations (BUSINESS NEWS, 28 Dec 84) .....	12
Editorial Discusses Emergence of Monopolies (BUSINESS NEWS, 14 Dec 84) .....	14
Editorial Discusses Protection for Domestic Industry (BUSINESS NEWS, 14 Dec 84) .....	17
Ways To Invigorate Economy Discussed (Editorial; BUSINESS NEWS, 19 Dec 84) .....	20
ROK Aid for Road, Flood Control Systems Study (BUSINESS NEWS, 19 Dec 84) .....	23

Japanese Aid for Semarang Port Study (BUSINESS NEWS, 26 Dec 84) .....	24
Population Under Poverty Line Seen at 27 Percent (BUSINESS NEWS, 19 Dec 84) .....	26
Development of Timber Processing Industry (BUSINESS NEWS, 14 Dec 84) .....	28
Coal Production Figures Since 1934 (BUSINESS NEWS, 28 Dec 84) .....	30
FRG Aid in 1984 (BUSINESS NEWS, 28 Dec 84) .....	32
Fertilizer Plant Expected To Meet Production Target (BUSINESS NEWS, 2 Jan 85) .....	34

#### LAOS

Souphanouvong Notes 1985 Target for Constitution (VIENTIANE MAI, 1 Dec 84) .....	35
Party's Role in 'Liberation' Struggle (Vientiane Domestic Service, 15-17 Jan 85) .....	37
Need for Self-Sufficient Production Stressed (Thipthiangchan; VIENTIANE MAI, 23 Nov 84) .....	41
Literary Journal Prints Thai Paper on Border Dispute (VANNASIN, Nov 84) .....	43
Soviet, GDR Forestry Aid; Deforestation Feared (Khamphan Chittavong; PATHET LAO, No 2, 1984) .....	47
Teachers Warned on U.S., PRC-Sponsored Subversion (SUKSA MAI, Oct 84) .....	49
Further Report on Refugees From PRC (THIN THAI, 9 Jun 84) .....	52
Problems in Mong Area Said To Have Been Overcome (Phonkeo; PATHET LAO, No 2, 1984) .....	53
Feature Discusses Developments in Champassak (Vientiane Domestic Service, 16 Jan 85) .....	55
Vientiane Secretary on Taxation of Private Sector (VIENTIANE MAI, 6 Dec 84) .....	57
SRV Assistance in Gypsum Mine, Statistics Reported (Phon Keo; PATHET LAO, No 2, 1984) .....	59

Editorial on Significance of Plans in Economy (Vientiane Domestic Service, 12 Jan 84) .....	61
Cartoon on RTG Use of Lao Exiles in Sayaboury (SUKSA MAI, Oct 84) .....	62
Production at Swedish-Aided Oxygen Plant (Chanthalak Meuangmani; PASASON, 24 Nov 84) .....	63
New Turbines To Exchange Nam Ngum Hydropower Capacity (Louk Khao Niew; PASASON, 29 Nov 84) .....	65
Price Incentive Ordered for Sweet Rice Production (VIENTIANE MAI, 4 Dec 84) .....	66
Editorial Specifies Economic Management Responsibilities (PASASON, 4 Dec 84) .....	67
Number of Trading Co-Ops Grows in Vientiane (VIENTIANE MAI, 28 Nov 84) .....	69
Vientiane Transportation Corporation Confronts Problems (Chanthaphon Vannachit; VIENTIANE MAI, 26 Nov 84) .....	70
Briefs	
Greetings to Vietnamese Experts	72
LPA Anniversary Activities	72
GDR To Train Journalists	72
Polish Delegation Holds Talks	72
Czechoslovak Scientific, Technical Delegation	73
SRV Consulate in Savannakhet	73
Vientiane Population, Crop Targets	73
Khammouane Armed Forces Achievements	74
State Trade Outlets	74
Vientiane District Banking	74
Saravane Banking (KPL)	74
Irrigation Project	75

#### MALAYSIA

Lim Kit Siang on Causes of 'Ethnic Polarization' (SIN CHEW JIT POH MALAYSIA, 26 Nov 84) .....	76
Solution to Indonesian Illegal Immigrant Problem Urged (KIN KWOK DAILY NEWS, 27 Nov 84) .....	79
Lim Kit Siang's Remarks Steps Against Illegals Described	

Keng Yaik Advises Yee Pan Not to 'Fish in Troubled Waters' (KIN KWOK DAILY NEWS, 16, 17 Nov 84) .....	81
Dr Lim's Remarks MCA Rebuttal	
Opening Up of 'China Market' Urged (Editorial; KIN KWOK DAILY NEWS, 3 Dec 84) .....	84
NEW ZEALAND	
Nation Posts Worst Deficit-\$945 Million (THE NEW ZEALAND HERALD, 24 Dec 84) .....	86
Editorial on Ironic Difference in Labor, National Policies (THE NEW ZEALAND HERALD, 24 Dec 84) .....	88
Lange 'Determined' To Hold Economic Course (THE NEW ZEALAND HERALD, 26 Dec 84) .....	90
Lange, Opposition Leader Interviewed on Politics, Issues (THE NEW ZEALAND HERALD, 26 Dec 84) .....	92
PM on Vulnerability, Public Support McLay on National Party Recovery	
Editorial on Washington, Wellington Intractable Anzus Stance (THE NEW ZEALAND HERALD, 26 Dec 84) .....	95
February Talks May Decide Future of Unionism (THE NEW ZEALAND HERALD, 27 Dec 84) .....	97
Briefs	
FoL Leader in USSR	99
Unionists' Views on PRC Trip	99
Church Nuc Stance	99
THAILAND	
Defense Spending Blamed for External Debt (Editorial; MATICHON, 30 Nov 84) .....	101
Editorial Seeks U.S. Involvement in Cambodia (THAI RAT, 14 Jan 85) .....	103
Paper Notes Continued Detention of Dissidents; Sulak Case (Editorial; MATUPHUM, 1 Dec 84) .....	105
Paper Calls for End to Anti-Communist Law (Editorial; MATUPHUM, 11 Dec 84) .....	107

Editorial Protests Class 5 Move Into Bangkok Council (MATICHON, 29 Nov 84) .....	109
Politics of Athit Extension Viewed (LAK THAI, 10 Jan 85) .....	111
Students Said To Have No Place in Politics (Editorial; THIN THAI, 25 Jul 84) .....	114
Briefs	
U.S. Ambassador Posting	116
Southern Operations in 1984	116
Weapons Traffic in Nong Khai	116

CAMBODIA

SPK SCORES BEIJING ATTACKS

BK201112 Phnom Penh SPK in English 1134 GMT 19 Jan 85

["Aggressive Nature"--SPK headline]

[Text] Phnom Penh, 19 Jan (SPK)--The Beijing ruling circles are escalating war acts against Vietnam in the hope of "teaching Vietnam a lesson." They have massed 1,000 war planes and 30 infantry divisions along the Sino-Vietnamese border in preparation for a large-scale aggression.

For 6 years now, each time the Kampuchean Armed Forces took action to wipe out Pol Pot remnants and other factions in the so-called Coalition Government of Democratic Kampuchea, China would intensify aggressive war acts along its border with Vietnam to raise the morale of its henchmen on the Kampuchean-Thai border.

Also in the past 6 years, China has encouraged the Thai ruling circles to create permanent tensions with the three Indochinese countries.

Bangkok at Beijing's behest, has illegally invaded Ban Mai, Ban Kang and Ban Savang, three hamlets in the Lao Province of Sayaboury.

Also taking the cue from China, the Thai authorities have gone from providing safe haven to the Khmer reactionaries to giving them direct military support in their acts of sabotage against the revival of the Kampuchean people.

So Beijing, worried by the repeated military successes recorded by the Kampuchean revolutionary army in cooperation with the Vietnamese volunteer army in Kampuchea, is making a great deal of noises about "Vietnamese aggression" and about "the Vietnamese threat." But who is threatening whom? China is frantically trying to increase its military strength. It has earmarked a military budget of U.S.\$21 billion. It is seeking to buy modern weapons from the United States and the West. It has opened up its military installations for inspection by U.S. General John Vessey, chairman of the Joint Chiefs of Staff, courting military cooperation with the United States. Is that to ensure peace and security for its immediate neighbours and for other peoples in Southeast Asia?



One still remembers the bitter defeat of the Chinese invasion of Vietnam in 1979 and its outcome. China was discredited in the world, their Khmer henchmen lost heart, and the ultrarightists in Thailand were disillusioned while Vietnam stood as firm as ever and the monolithic solidarity of the three Indochinese peoples remained intact.

The rulers in Beijing may snarl and bare their fangs, but they cannot cow the three Indochinese peoples. They may also pretend to be pious, but they cannot hide their expansionist nature. They may resort to euphemism to mollify their collusion with U.S. imperialism, but they cannot allay a general anxiety about their sinister designs.

The peoples of Kampuchea, Vietnam and Laos and other peoples of Southeast Asia will be more vigilant than ever and will further close their ranks to cope more effectively with the expansionists in Beijing.

CSO: 4200/443

CAMBODIA

BOU THONG SENDS MESSAGE TO SRV COMBATANTS

BK200604 Phnom Penh SPK in English 1130 GMT 19 Jan 85

[Text] Phnom Penh, 19 Jan--Bou Thong, minister of national defence of the People's Republic of Kampuchea, has sent warmest greetings to Vietnamese Army volunteers and experts on internationalist mission in Kampuchea on the occasion of "Tet" (the traditional lunar new year of Vietnam).

The message says: "This year, Tet takes place at a time the party, Kampuchean people and their armed forces have recorded new, greater successes in national construction and defence. These successes are inseparable from the immense assistance and support in the spirit of proletarian internationalism of the Vietnamese experts, cadres and army volunteers and from the strength of the special militant solidarity between Kampuchea and Vietnam."

"We will keep in mind," it further says, "that Vietnam is always our great friend who sides with us in the same trench in the struggle against Chinese expansionism and U.S. imperialism. The Vietnamese volunteer army has joined the revolutionary armed forces and people of Kampuchea in defeating all dark schemes and acts of sabotage conducted by Pol Pot, Son Sann and Sihanouk." The recent military victories along the Kampuchea-Thai border are inseparable from the self-abnegation of the experts, the volunteer army and the people of Vietnam as a whole, the message stressed. It extends best wishes to Vietnamese experts, combatants and disabled, and expresses profound gratitude to their families for their priceless sacrifices for the cause of the Kampuchean revolution.

CSO: 4200/443

CAMBODIA

BRIEFS

KUFNCD APPEALS TO 'MISLED PEOPLE'--Phnom Penh, 20 Jan (SPK)--The National Council of the United Front for Construction and Defence of the Kampuchean Fatherland has urged misled people to rally to the just cause of the revolution. The appeal, made on the occasion of Kampuchea's sixth national day, says that the People's Revolutionary Party of Kampuchea, the state and the front always regard misled people and their relatives as "unfortunate brothers and sisters." In this spirit, the party treats them with leniency and wants them to return to society, the appeal says. It recalls that many misled people have broken with the Pol Pot clique and other Khmer reactionaries and reported themselves to the revolutionary administration individually or in group. The returnees have been granted full citizenship and given opportunities to start a new life, the appeal says. It promises all moral and material assistance to prospective ralliers to integrate themselves in the new society and to contribute to national defence and construction. [Text] [BK201304 Phnom Penh SPK in English 1109 GMT 20 Jan 85]

CSO: 4200/443

INDONESIA

## ECONOMIC PROSPECTS FOR 1985 DISCUSSED

Jakarta BUSINESS NEWS in English 2 Jan 85 pp 3, 4

[Editorial]

[Text]

With the year end approaching, many economic observers try and predict if the new year will bring prosperity or doom. In making their usually bleak forecast, many domestic observers tend to add that "if the government does this and that, disaster can be averted".

The Indonesian economy is determined by, first the international oil trade cycle, second the progress in agriculture and third the international trade cycle which affects non-oil exports. All these are external factors over which the government has no power whatsoever. Growth in manufacturing is also very important, but it also starts being very affected by external factors.

Through the budget and fiscal, monetary and balance of payments policies the government can influence the state of the domestic economy. But there is a considerable constraint in this respect. The ability to influence the state of the domestic economy very much depends on the availability of funds, and the main source is still oil and gas. That is why the Indonesian economy in final analysis is determined by the good or bad luck of the oil/gas sector.

This is in rough outlines the forecast on the Indonesian economy by Robert Broadfoot Jr of S.J. Rundt & Assoc., Hong Kong, quoted by Sinar Harapan daily. "The Indonesian economy in 1985 is estimated to be no better than in 1984. It can even

be worse, or in the best possible case it will be on the same level as in 1984. The oil price will probably fall again some time next year." Only God knows if the forecast on the oil price will come true. In any case, a wise government must take that possibility into account. Preparing for the worst while formulating a policy is much better than going into the dark while whistling.

For three years now the Indonesian economy has been hit by the recession. Since 1982 economic growth has been low, under 4% p.a. on the average. Economic growth in 1984 is between 4% and 5% although two sectors show a healthy growth, viz. food production and non-oil/gas exports.

The slowest growth is registered by manufacturing which is stuck with a saturated domestic market and a weak purchasing power as a result of the recession & a slow disbursement of the budget (as reflected in a swelling unspent development budget).

Because of the bleak forecast for next year the government is facing a difficult dilemma. Will it and by how much will it increase the 1985/86 budget? There is a big chance that the salaries of government employees and the armed forces will have to be increased, since their living conditions are already precarious. Hence the routine budget has to be increased. The dilemma is: what has to be done with the development budget? Normally it has to go up also. But where to get the money?

If oil/gas dollar revenue does not go up, there will be three options: increase domestic tax revenue, reduce/abolish some big subsidies, or a devaluation. A devaluation will increase the Rupiah revenue from oil/gas taxes. The possibility of a devaluation has already been included in the calculations by the business circles, resulting in a slowdown in the inflow of new capital until such time that the nature of this risk will have become more clear. It would be wise for the government to assure the public that it will not devalue the Rupiah. Indonesia al

ready has a bad name for having devalued once too often. If we are to attract foreign capital and foreign loans, do not make a habit of devaluing your currency.

What about the second alternative, that of increasing tax revenue? This would indeed be a more logical option. The question is how much, when and how? The same goes for lowering subsidies. If many taxes are to be raised and subsidies abolished, this can prolong the recession. Taxes levied from the public also reduce purchasing power.

A better option would be for the government to limit the increase of the 1985/86 budget to the really necessary items only, especially in the routine budget, while relatively reducing the development budget. In this way a limited increase in tax revenue reduction in subsidy will suffice.

At present there is still a large amount of unused production capacity available in the Indonesian economy. It is better to increase the degree of capacity use rather than creating new production capacity.

CSO: 4200/434

INDONESIA

NON-OIL EXPORT PROJECTION FOR 1988/1989

Jakarta BUSINESS NEWS in English 26 Dec 84 p 9

[Text]

Indonesia's foreign exchange earnings from non-oil/gas exports are projected to increase double from US\$ 5.5 billion in the first year of Pelita IV (1984/85) to US\$ 11 billion at the end of Pelita IV (1988/89).

This was disclosed by Director General for Foreign Trade Drs. Susilo Sardadi here recently when he opened a meeting on the operation of quality test laboratories.

Soesilo Sardadi said further that the Directorate General for Foreign Trade would endeavour to increase the production and expand the export of non-oil/gas commodities among others by improving the quality of commodities.

In this connection, he stressed the importance of giving serious attention to the control of quality and issue of quality certificates by quality test laboratories.

The issue of certificates which guarantee the quality of commodities need greater responsibility as the kinds of products traded with labels of SII (Indonesian Industrial Standard) will continue to increase, according to the director general.

The meeting, which was attended by 100 participants from various quality test laboratories and various agencies/institutions dealing with control of quality, discussed ways to solve various problems faced in controlling and improving the quality of non-oil/gas commodities. Such a meeting is held every year.

INDONESIA

## EDITORIAL CALLS FOR THINKING ABOUT 'POST-OIL PERIOD' PROBLEMS

Jakarta BUSINESS NEWS in English 28 Dec 84 p 2

[Text]

The difficulties being faced by OPEC in preserving the discipline of its members and in maintaining its price, combined with the increasing fuel oil consumption parallel to the rising pace of development, should make us realise that the possibility of an ever declining role of oil as a source of foreign exchange becomes even more urgent. Therefore we should get ourselves prepared for the post-oil period from now on.

Firstly, the President's statement regarding problems around seaports deserves our attention as members of the business community in particular. One of the components that determines the cost price, for imports as well as exports, is the expenditure to be borne by the sector of transportation from the moment of entering seaports up to the time of leaving these areas. And this component is among the high-cost components in the national economy. If we fail to handle/overcome this problem seriously it will be difficult for us to create competitiveness, efficiency and effectiveness on the increasingly competitive and interdependent international market. Our failure to create this competitive, efficient and effective mechanism means that we are checkmated on the international market or rendered impossible to increase foreign exchange revenues most needed for financing the development/growth of the national economy. Hence this high cost component must inevitably be handled seriously as desired by the President. The handling of this question is not easy, takes a long time, needs patience, and, more important, courage, because it is probable that the officials who want to settle the problem in an all-out manner may be facing various pressure, perhaps even "threats".

If we project the problem in the context of long-term discussion, then the question most closely



related to the high cost economy possibly is the post-oil period.

At present we can feel happy because we have oil resources so that the proceeds from oil sales can be used to finance national economic development. Of course we do not rule out funds from foreign aid, viz. foreign capital inflow that has contributed to our economic development/growth so that Indonesia can achieve a fairly high growth rate. If by a very small drop in our oil receipts, our economy has experienced sluggish or declining activities in the business sector, then we can imagine that within e.g. the next 20 - 25 years we will have to "survive" without oil resources as a foreign exchange earner. From the viewpoint of preparation, the 20-25-year period is very short. Those in the private sector may not yet give full attention/thought to the problem of the post-oil period. Economic planners have estimated that this period will take place and have started to calculate its consequences. The Ministry of Industry for instance, at a seminar 1 - 2 years ago presented the question of acceleration of industrialisation. What it meant was in fact the development of other alternative sources to face the time when oil no longer becomes a source of funds to finance development efforts. Acceleration of industrialisation implies the preparation and deepening of industrial foundation so that this sector can achieve the same level as that of the newly industrialised countries such as South Korea or Taiwan. In other words, we want to get ourselves prepared within the framework of creating a manufacturing sector that can make available industrial products for the international market; we want to expand/deepen the foundation/basis of our industry. In brief, we want to become an exporter of our industrial products and make the sector of manufacturing industry a relatively big alternative source and hopefully a substitute for oil resources, which may be declining or even completely reduced as a result of export cuts or increased domestic consumption so that the quantities for exports are greatly minimized. Therefore we have to prepare many things as early as possible, including a change in behaviour, attitude, banking institutes, transportation, communications and so forth. All this must be thoroughly studied, involving all segments of society, officials, businessmen, bureaucrats, the private sector, and the like.

The post-oil period is not a new thing. The new one may be the determination and desire to start thinking and seeking a way-out. This new

spirit will hope-fully make us aware of the seriousness of this problem unless it is handled from this moment. We can imagine that within the next 20 years our population will become more than 200 million. What will happen if this is accompanied by a drop in foreign exchange revenues and other sources of financing should be realised. The only alternative is that from now on we must determine the strategy, namely the export-led-growth strategy as the main priority. This task is not simple, it is complex and should be seen as a national task and be given high priority. It is already very urgent.

CSO: 4200/433

INDONESIA

DEVELOPMENT OF PADDY PLANTATIONS

Jakarta BUSINESS NEWS in English 28 Dec '84 p 12

[Text]

The available data collected by the Research & Development Centre of the Agriculture Department show the creation of new farmland in Indonesia has up to the present time covered around 16 million ha or about 8 percent of Indonesian land.

The percentage of farmland in Indonesia compared with the available land is still below that in certain developing countries. In some developing countries, farmland covers no less than 40 percent of the available land.

To support the expansion of farmland, the opening and cultivation of paddy plantations has been initiated. But businessmen are likely not much interested in investing capital in such a project. Two companies, all state-run corporations, have been operating in the development of paddy plantations.

The success of the Indonesian Government to increase rice production leading to self sufficiency in rice, has made it harder to encourage capital investment in the development of paddy plantations. But the continued increase in the world need for food has encouraged the government to continue to effort to open and develop paddy plantations.

Two state-run companies growing paddy in paddy plantations are PT Patra Tani and Labuhan Batu Rice Estate. PT Patra Tani is a subsidiary company of the state

owned oil company Pertamina. Pelabuhan  
Batu Rice Estate belongs to PTP III, a  
state-run plantation company. PT Patra Ta  
ni and Pelabuhan Batu Rice Estate are res  
pectively planning to open 34,000 ha and  
55,500 ha of paddy plantations.

CSO: 4200/434

INDONESIA

EDITORIAL DISCUSSES EMERGENCE OF MONOPOLIES

Jakarta BUSINESS NEWS in English 14 Dec 84 p 2

[Text]

The day-long discussion on "The effort to popularize Law No.5/1984 concerning industries" at Hotel Indonesia here Tuesday gave prominence to a problem now indeed under public spotlight, viz. the emergence of big corporations that officially or unofficially but factually hold a monopolistic position in a certain field. The companies in such a position naturally can determine prices and services at their own will without any fear that the high prices or decline in services will reduce the market of their goods or services.

Chairman of the Advisory Board of HIPPI (Indonesian businessmen's association) Probosutedjo delivered a paper indicating the presence of businessmen that are licensed to set up the only industry in a certain field, even to import basic materials for the only kind of industry. He warned that the attempt to quickly possess various kinds of large industries at present will only harm the existing industries and may lead to the closing down of their operations. In fact, those that are capable of handling large industries are only strong companies owned by the same people. Probosutedjo repeatedly used the words "the same men", so that he finally concluded that "multi monopolies" are taking place in this country rather than only monopolies. A. Baramuli, a leading entrepreneur and also deputy chairman of the House Commission III, pointed out that the emergence of monopolies actually can be induced by the government through its licensing and control policy. The Industrial Law is even provided with clauses regulating this matter.

Baramuli's observation indeed has some essential truth, but on the other hand it should be very cautiously responded to. Today there is even already

a strong impression in society that the existing licensing system has too deeply regulated our economic life, and only recently did the government itself voice its determination to simplify and reduce this system. If under such circumstances we suggest a settlement of the question of monopolies through another licensing system, there is the danger that the process now already developing towards simplification may just reverse. In addition, the appearance of this monopolistic position in various fields is in fact enabled by the presence of licences that in practice remain effective, because the licensing simplification has turned out to proceed half-heartedly. The import of certain goods and materials is officially restricted (by licences or special appointments) to several state owned enterprises and in practice is frequently subcontracted to private firms with a limited variety as well.

Probosutedjo warned that the rise of monopolistic companies can kill the existing firms and thus expand unemployment. In reality the problem of unemployment is still very vulnerable at the current stage of development, and if this is left ignored the consequence can be farreaching. The appearance of corporations that have too high an extent of dominance over certain fields also eliminates the element of sound competition that should have promoted the quality of goods, efficiency, and reduced prices, factors that are very important to the growth of the relevant industries themselves as well as to the consumer public. Another consequence that may arise is the increasing gap between the big and small, between the rich and poor. We need not go too deeply into the materials presented in courses of P4 (comprehension and implementation of Pancasila) in order to realise, that all this should actually be avoided in our way of undertaking development efforts today. Probosutedjo also warned that the emergence of companies with the monopolistic position may reduce public confidence in P4.

Minister of Industry Ir. Hartarto in the discussion indicated that the government's industrial policy is supposed to lead towards the development of an integrated industrial sector in the broadest sense of the words. But vulnerabilities may arise in this process. It seems that the emer-

gence of such monopolies constitutes a vulnerable point we should be vigilant against. We should also appropriately accomodate this problem if the integrated industrial build-up is supposed to succeed. Otherwise, not only will certain kinds of industries be developed (while neglecting the others), but even certain types of companies will thrive.

CSO: 4200/433

INDONESIA

## EDITORIAL DISCUSSES PROTECTION FOR DOMESTIC INDUSTRY

Jakarta BUSINESS NEWS in English 14 Dec 84 p 9

[Text]

Kadin Indonesia in its plenary session early in this month voiced the anxiety of the domestic industry, which at present continues to face a very sluggish domestic market. This recession has been experienced for three years since 1982. The prospect for the coming year seems very gloomy as well.

There is not much hope that the domestic economy will be considerably stimulated in 1985, because the government will remain short of funds due to the gloomy prospect on the international crude oil market.

The domestic industry can only expect expansion if it is able to increase its exports. This effort is being intensified among others by the textile and garment industry, the plywood industry etc. Therefore one of the urgent needs in the government policy for 1985 is to further boost the realisation of this export drive, especially by improving the mechanism of high level decision making, notably involving intersectoral and inter-departmental coordination.

Meanwhile it is also understandable that the domestic industry reveals highly protectionist sentiments. The same thing is also noticeable from the decisions adopted by the plenary meeting of Kadin Indonesia. Four clauses involve the expectation for better protection.

First, in issuing business licences, the associations concerned should be included in consultations so as to prevent overlapping in double licensing and excessive installed capacities for a certain type of business operation.

Second, monopolistic imports of basic/complementary materials for the industrial sector should be avoided so as not cause price hikes to be borne by industries and consumers.



Third, in order to protect industries that have sufficiently manufactured import substitution products, import restrictions should be imposed so as to stimulate the use of domestic products.

Fourth, the government is called upon to increase the eradication of smuggling of goods into Indonesia because this will harm the domestic industry.

From the four points reflecting the domestic industry's hope for an improvement of the government's policy pattern to protect the domestic industry, we can see the presence of complicated problems and contradictory expectations.

On the one hand the import of goods that may pose competition to the domestic industry should be restricted. This can be done through high import duty tariffs, or import bans, or by an even newer system, viz. the creation of a consortium of several companies appointed and granted the sole right to import.

It seems that the last mentioned system is considered to bring about the monopoly feared to raise prices to be borne by industries and consumers. Furthermore, the business sector has of late seen the emergence of "multimonopolies" arising from "the same circles", which offends the sense of justice and increases the vulnerability of the situation. This has been discussed in last week's editorial.

The government has in fact tried all kinds of protection, the first by raising import duty rates, the second by prohibiting imports, and the third by setting up this monopoly. Each way has its own advantages and disadvantages. High tariffs invite the practice of underinvoicing and manipulation of almost the same tariff headings but with lower import duty rates. Total bans invite smuggling, which so far cannot yet be effectively eradicated. Kadin Indonesia has also again appealed to the government to step up the eradication of contraband activities, but if the outcome has since a long time ago been limited, can there be new hope?

The presence of smuggling can even from a viewpoint be regarded as a "blessing" because it reduces protection and too big price hikes. Protection always raises domestic prices and this in turn will surely render exports difficult. Hence one of the contradictory ways of thinking is accepting exports as the only breakthrough from the domestic recession, but on the other hand, seeking various kinds of protection for the domestic market that

do not increase prices to be borne by industries and consumers.

In fact, in the previous three Five-Year Plans Indonesia's industry has enjoyed considerable protection, the growth of the import substitution industry has even become over-protected so that its international competitiveness has been reduced. What is now most needed is "protection for exports", including industries for exports. The policy orientation should lead towards this end.

CSO: 4200/433

INDONESIA

# WAYS TO INVIGORATE ECONOMY DISCUSSED

Jakarta BUSINESS NEWS in English 19 Dec 84 p 3

[Editorial]

[Text]

Minister of Trade Rachmat Saleh in his interview with the "Suara Karya" daily rightly pointed out that in order eliminate sluggishness and restore business vigour, optimism among businessmen should in the first place be aroused. With such optimism they will try to maintain and even promote their activities and production. This can first be started with the acceleration of development budget realization, and the government is indeed endeavouring with all its might towards this end.

What was stated by the Minister of Trade naturally means that the development budget next year should not only be bigger than that at present, but especially also that the funds should really be channelled. If as a result of the long winding bureaucracy or due to other causes the funds get bogged down at the Ministry of Finance, project leadership or banks, the possibility of the business sector gaining advantage from the money will obviously be hampered as well. The very serious condition can be concluded from the fact that industrial growth in 1983 and 1984 is estimated to reach a point far below the average growth level for the entire economy in the corresponding years. In our development strategy the industrial sector has in fact always been estimated to be able to grow far beyond the average growth rate, as a characteristic of the determination to in-

crease the relative contribution of industry to the gross domestic product. According to the way of thinking behind this strategy, with a high industrial growth rate the scale of contributions between industry and agriculture to the gross domestic product will become increasingly balanced.

Though increased implementation of the development budget in the context of Indonesia is very important in order to stimulate optimism among businessmen, this factor anyhow only constitutes a small aspect in the whole problem. No less important and even possibly more vital is also the policy to be pursued in the monetary/banking sector, in the provision of facilities that can help financing, in handling licences, in preserving the stability of the rupiah value, etc. The most essential in this conjunction even is the feeling on the part of businessmen that everything reflects the presence of logical consistency, rather than a mere ad hoc policy that may change any time when a more topical issue arises.

Another very important factor in the problem mentioned above is how the prospect of fund resources will turn out to meet the needs for the next state budget. Anyway, the extent of development budget implementation will later depend greatly on the funds that can be mobilized by the government to finance the state budget. The prospect of oil is difficult to predict, and it seems to be fortunate for us if the situation is not worsening. Non-oil/gas exports during the first semester of 1984/85 made gratifying progress, but nevertheless their contribution to the balance of payments and the state budget is only a small part of the whole. To offset only a 1% decrease in the oil/gas sector, the non-oil/gas sector has to be able to increase by 3%. Let alone if we expect non-oil/gas receipts to save the state budget and the balance of payments from the oil/gas setback, then the increase will have to be far bigger. But according to the government report to the House concerning the first semester reali

sation of the state budget of 1984/85, the estimate for the second semester is not so bright compared with the first. Hence the first step that must be taken is how to stop the declining trend and if possible even to reverse it.

If we can rely on the government report as well as the report of the board of directors of Pertamina to the House, one bright spot may be the austerity measures that in the first semester of 1984/85 could be carried out in oil refining and fuel oil production. Based on the report fuel oil production cost could be lowered from Rp. 258 (serving as the basis of calculation for the state budget of 1984/85) to Rp 236 per litre. By saving Rp 22 per litre and with the consumption of 27 billion litres, fuel oil subsidies totalling  $27 \text{ billion} \times \text{Rp } 22 = \text{Rp } 594 \text{ billion}$  could be saved, according to the report. If such economy continues to be maintained and even stepped up, this will certainly open the possibility to increase routine and/or development expenditures. Among others for instance the increase of civil servants' salaries -- if this is supposed to be realised next year -- can be financed with the funds saved from the fuel oil subsidies.

From the brief illustration above we can see how one factor is directly related to another. Measures involving one sector should be in consistency with steps affecting another field, so that all of them can at the same time invigorate economic activities, in both the government and private sectors. Ad hoc moves that are taken merely to overcome an unexpected situation are frequently opposed to each other and confusing.

CSO: 4200/433

INDONESIA

ROK AID FOR ROAD, FLOOD CONTROL SYSTEMS STUDY

Jakarta BUSINESS NEWS in English 19 Dec 84 pp 7, 8

[Text]

Minister of Public Works Ir. Suyono Sosrodarsono and South Korean Deputy Minister of Construction Lee Kwan Young signed here last weekend an agreement for the extension of a grant worth US\$ 420,000 from the South Korean Government for a study of the road network system in Bukittinggi, West Sumatra, and US\$ 520,000 for a study of the flood control system in the downstream area of the Pemali river, Central Java.

Improvement in the road network system in Bukittinggi is considered necessary to cope with the increasing local and regional traffic density. Traffic jams frequently occur around the cross-road linking Bukittinggi - Pekanbaru, Bukittinggi - Medan and Bukittinggi - Padang.

Traffic density in the business centre in Bukittinggi has been hindering the inter-city flow of vehicles through that city. In the effort to reduce traffic jams in the city, bus and truck terminals as well as the Bukittinggi main market have been moved to less crowded areas.

Flood water from the 107 km long Pemali river in Central Java, with a downstream area covering around 1,228 km<sup>2</sup>, often inundates villages, farmland in the surrounding areas, including part of the main road linking Cirebon with Semarang and several places in Brebes.

Study by Indonesian and foreign consultants was conducted in 1980 and 1981 for the improvement of the flood control system of the Pemali river. The continuation of the study is still required, covering cost estimate, detailed design, tender document and the implementation of program.

INDONESIA

JAPANESE AID FOR SEMARANG PORT STUDY

Jakarta BUSINESS NEWS in English 26 Dec 84 pp 7, 8

[Text]

The study of the Semarang port will in the second stage be conducted by the Directorate General for Sea Communications in cooperation with Japan.

Director General for Sea Communications J.E. Habibie and Deputy Director General of the Japanese Ministry of Transport Tahayuki Adachi signed the cooperation agreement here recently.

In the second stage, the study of the Semarang port will soon be carried out to prepare the building of several new facilities, including a special terminal for coal, as the follow up of the building of a new pier for ocean-going vessels and the rehabilitation of old terminals already completed in the first stage.

The Japan International Cooperation Agency (JICA) will provide financial aid in the form of credits for the realization of the study in the second stage, according to project leader Sjafaruddin.

J.E. Habibie stated after signing the cooperation agreement that the project of the development of the Semarang port should be carefully handled as the Semarang harbour was not an export port nor one of main harbours in Indonesia.

The development of the Semarang port began in November 1982, and the study for the development of the port in the first stage started in 1978. The engineering design for the project was made in 1980. The project is expected to be completed by 1985.

The handling of the project in the

first stage has been completed 58 percent. The port now can serve ships of 10,000 Dwt. For the completion of the project in the first stage, the Japanese Government has provided financial assistance amounting to 17.3 billion yens. The rupiah funds used to finance the project in the first stage totalled Rp 22 billion.

CSO: 4200/433



INDONESIA

# POPULATION UNDER POVERTY LINE SEEN AT 27 PERCENT

Jakarta BUSINESS NEWS in English 19 Dec 84 pp 9, 10

[Text]

The number of Indonesian people living below the poverty line stood at around 40.6 million or around 27 percent of the Indonesian population in 1981, and this was estimated at about 54.2 million or 40 percent of the total population in 1976, dropped to 47.2 million or 33.3% of the total population in 1978 and declined further to 42.2 million or about 28.6% of the total population in 1980, data obtained from BPS (Central Bureau of Statistics) show.

The poverty line used by BPS is based on the minimum expenditure needed for foods plus the minimum expenditure for non-food necessities. The minimum expenditure is equivalent to expenditures for 2,100 calories per capita/day. The minimum expenditure for non-food necessities covers expenditures for several non-food commodities, and it is made different in urban areas and rural areas.

Based on that definition, BPS determined the poverty line at Rp 9,777 for urban areas and Rp 5,877 for rural areas in 1981. The poverty line was determined by BPS at Rp 4,552 for urban areas and Rp. 2,849 for rural areas in 1976, Rp 4,969 for urban areas and Rp 2,981 for rural areas, and Rp 6,831 for urban areas and Rp 4,449 for rural areas in 1980. Those figures have been determined based on the price in the years concerned.

The number of those living below the poverty line in rural areas estimatedly stood at around 44.2 million in 1976, 38.9 million in 1978, 32.8 million in

1980 and 31.3 million in 1981. The number of those living below the poverty line in urban areas is almost as big as the number of people under the poverty line in rural areas.

CSO: 4200/433

INDONESIA

## DEVELOPMENT OF TIMBER PROCESSING INDUSTRY

Jakarta BUSINESS NEWS in English 14 Dec 84 p 9

[Text]

The government is determined to stop log exports from January 1, 1985, Minister of Forestry Soedjarwo said when he opened the plenary meeting of Perum Perhutani (state-run forestry company) here Thursday. The decision to discontinue log exports has been made to secure forest conservation and to boost the development of the wood processing industry in the country, besides supporting the expansion of job opportunities, he explained.

The minister stressed the importance of promoting exports of forest products, including processed timber, as part non-oil/gas export drive now being intensified by the government. Plywood and sawn timber producers are now facing sluggish market; therefore, the government endeavouring to promote the sale of those timber products, he said.

Perhutani has been reducing in stages log exports for several years. The company should strive for the acceleration of the development of the wood processing industry to increase value added.

The minister reminded the audience that Perhutani should pay greater attention to the maintenance of environment & the replanting of forest land so as to make it more productive. He also voiced the need to intensify forest expansion.

INCOME OF PERHUTANI: President Director of Perhutani Dr. Hartono MA reported meanwhile that the income of the company in 1984 was projected at more than Rp 90.59 billion, and the realiza

tion had up to October reached Rp 82,254 billion. But it is expected to reach Rp. 96,782 billion at the end of this year, around 10.65 percent over the target.

The expenditures of the company can be minimized to Rp 81.554 billion from the target of Rp 86.917 billion. The contribution of the company to the government in the form of tax this year is estimated at Rp 9.743 billion, an increase of around 9 percent compared with that last year. The development expenditures of the company in the first ten months of this year are Rp 2,914 billion, an increase of around 37 percent compared with that last year.

Based on experiences in the past, Hartono predicted, that the marketing of forest products in 1985 would be better than that in 1984. The income of the company in 1985 is projected at Rp 108 billion next year, he said.

The production of teakwood for wooden tools by Perhutani in the first ten months of this year reached 725,473 cu.m, or about 96.3 percent of the target set for 1984. It is expected to increase to 870,183 cu.m. or 15.5 percent over the target till the end of this year. The production of teakwood for building equipment reached 74 percent of the target in the first ten months of this year. It is expected not to meet the target till the end of the year.

CSO: 4200/433

INDONESIA

COAL PRODUCTION FIGURES SINCE 1934

Jakarta BUSINESS NEWS in English 28 Dec 84 p 3

[Text]

The production of coal in Indonesia has since the beginning of Pelita I (1969/70) up to the end of this year reached 1.24 million tons; and since the first production of coal in Indonesia in 1934, it has up to the present time stood at 28.78 million tons. This was disclosed here Thursday by Th. Suprono SE, head of the energy, construction and statistic section.

The largest coal production for Indonesia was obtained in 1941, when it reached 2 million tons. The production of coal rose from 172,000 tons in the beginning of Pelita I (1969/70-1973/74) to 206,000 tons in Pelita II (1974/75 to 1978/79) & went up further to 303,000 tons in Pelita III (1979/80 to 1983/84).

Bigger part of coal from coal mines available in the country is provided for local supply, and only smaller part is allocated for exports. PJKA (state railways), cement plants and foundry plants are the largest consumers of coal in the country.

Indonesia's exports of coal reached over 58.89 percent of coal production last year. The export of coal from this country last year went to Bangladesh, Japan, Taiwan, Thailand, South Korea, Malaysia & Singapore.

Most potential coal deposits in Indonesia are generally found in Kalimantan, Sumatra, Sulawesi and Irian Jaya. Coal found in those islands is different in quality. Based on the result of survey, coal deposits found in various areas in Indone

sia contain more than 629 million tons.

The Energy and Mines Department, in cooperation with foreign contractor companies, is currently carrying out coal exploration in Kalimantan.

CSO: 4200/434

INDONESIA

FRG AID IN 1984

Jakarta BUSINESS NEWS in English 28 Dec 84 p 12

[Text]

The Government of the Federal Republic of Germany has given financial assistance amounting to DM 100 million & technical assistance worth DM 30 million to Indonesia this year.

EKONID (Indonesia-Germany economic association) has announced that West Germany and Indonesia signed in Bonn in October this year an agreement for the utilization of the financial and technical assistance in the handling of various development projects in Indonesia.

The value of technical assistance given to Indonesia this year is as big as that agreed last year. Including credits from West Germany last year but have not been utilized, financial aid and technical assistance given to Indonesia this year respectively amount to DM 155.6 million and DM 33.65 million.

Of the financial aid extended by West Germany this year, DM 32 million will be used for the installation of a diesel power station, DM 55 million for the installation of a power transmission system with a capacity of 500 KVA, DM 39.2 million for the installation of a digital telecommunication network, DM 19.7 million for the installation of clean water distribution facilities in West Sumatra, DM 6.6 million for the construction of a power generating station in Indarung and DM 3.1 million for the development of a coal mine in Bukit Asam.

The allocation of the West German technical assistance comprises DM 9.9 million for the handling of transmigration

projects in East Kalimantan, DM 4.5 million for the meteorological field, DM 2.0 million for the customs and excise sub-sector, DM 30 million for a forestry faculty in Samarinda (East Kalimantan), DM 2.1 million for a plantation project in West Sumatra, DM 2.3 million for veterinary laboratory, DM 2.3 million for the extension of KIK (small investment credits), DM 1.4 million for the eradication of narcotic smuggling and abuse, DM 0.65 for a shipbuilding faculty in Surabaya, DM 1.3 million for the Industry Department and DM 4.2 million used for 1983.

CSO: 4200/434



INDONESIA

# FERTILIZER PLANT EXPECTED TO MEET PRODUCTION TARGET

Jakarta BUSINESS NEWS in English 2 Jan 85 pp 5, 6

[Text]

The production of fertilizer by PT. Pupuk Sriwijaya (Pusri), a state-run fertilizer plant in South Sumatra, is expected to meet the target of 1,601,000 tons for 1984 till the end of December 1984. The plant has an installed capacity of 1,620,000 tons.

The spokesman of PT Pusri explained in Palembang recently that Pusri I, one of the production units of the company, which was completed in 1963 at a cost of US\$ 33 million, produces 300 tons of urea/day & 180 tons of ammonia/day.

Pusri II, the second production unit of the company, was completed in 1974 at a cost of US\$ 86 million. This unit produces 1,150 tons of urea/day and 660 tons of ammonia/day.

Pusri III, the third production unit, was completed in 1976 at a cost of US\$ 192 million. This unit produces 1,725 tons of urea/day and 1,000 tons of ammonia/day.

Another production unit, Pusri IV, which was completed in 1977 at a cost of US\$ 186 million, produces 1,725 tons of urea/day and 1,000 tons of ammonia/day.

PT Pusri has eight special ships for the shipment of its products to various areas in the country. The company also uses trains and trucks for the transport of its products.

The eighth vessel belonging to Pusri, MS Sultan Mahmud Badaruddin, began operating in August 1984. The ship has a transport capacity of 5,500 m3 for ammonia.

LAOS

SOUPHANOUVONG NOTES 1985 TARGET FOR CONSTITUTION

Vientiane VIENTIANE MAI in Lao 1 Dec 84 pp 1,4

/People's Supreme Assembly Opens Meeting to Popularize Going Out to Grasp the Situation to Serve in Drafting the Constitution and Election Law" A shorter version of this item was carried by Vientiane KPL in English 1 Dec 84 and published in FBIS Asia and Pacific Daily Report 5 Dec 84 p 167

/Text/ On the morning of 30 November the regular committee of the People's Supreme Assembly along with the committee for drafting the constitution and election law opened a meeting to disseminate the plan and to grasp the social situation for drafting the constitution and election law for the LPDR. The meeting was under the chairmanship of Mr Souphanouvong, state chairman and chairman of the LPDR People's Supreme Assembly.

Participating in this meeting were members of the People's Supreme Assembly, the committee on studying and drafting the constitution and election law, ministers, deputy ministers, chairmen and assistant chairmen of State committees, and many representatives from ministries, sections, provinces, and Vientiane Capital.

In the ceremony Chairman Souphanouvong honorably gave a speech to officially and gloriously open the ceremony. In several important parts of his speech Chairman Souphanouvong pointed out the significance of drafting the constitution and election law, which our party and government always consider important. It is an important and necessary duty to improve the people's democracy, and it is also a form of the dictatorship of the proletariat. The chairman pointed out that if we wish to improve and strengthen socialist government it is necessary to draft and improve the system of socialist law which is being steadily completed, and also to educate people to awaken and to respect, protect, and adhere to the law.

Chairman Souphanouvong said that going out to grasp the social situation in order to serve in drafting the constitution and election law will help us to better assess and /evaluate/ the real situation

and the expansion of social life nationwide in implementing different plenums of the party, and to see the determination, the limit, and the efficiency of the system of law as it is now in the interaction with all areas, all movements, and all social life.

Chairman Souphanouvong confirmed that 1985 will be a year of many important and historic events for our nation and for our revolution. Success in drafting the first LPDR constitution will become a significant historic event which will be recorded in the history books for political lifestyle in our country.

At the end he added that this task on grasping the situation for use in drafting the constitution and election law will be an actual and most excellent achievement to welcome the 30th glorious anniversary of the establishment of the LPRP, to welcome the 10th anniversary of the establishment of the LPDR, our beloved fatherland, and to gloriously welcome the first constitution of the LPDR.

The meeting was carried out over a period of time. All participants studied together Chairman Souphanouvong's speech, listened to the dissemination of the plenum of the People's Supreme Assembly by appointing /constitution and election law committees/, listened to the order of the Party Central Committee Secretary No 107/SPCC on the mobilization of the entire party, the entire army, and all the people to participate in drafting the constitution and election law and to disseminate the task of the committee on studying and drafting the constitution and election law. They also listened to the dissemination of documents, and to general and specific question for each region throughout the country for application in their actual work.

9884

CSO: 4206/64

LAOS

## PARTY'S ROLE IN 'LIBERATION' STRUGGLE

BK201236 Vientiane Domestic Service in Lao 15-17 Jan 85

[15 Jan 85 0030 GMT]

[First in series of feature: "The LPRP Led Struggle Against the U.S. Imperialists To Completely Liberate the Country"]

[Text] Immediately after its founding, our party faced the harsh trial of its history--that is, disasters and danger due to the intervention and aggression carried out by the U.S. imperialist chieftains who formed the Katai ultrarightist reactionary government. Acting upon an order of the U.S. imperialists, in mid-1955, the Katai government mobilized two-thirds of its puppet troops to attack our two regrouping provinces and barbarously suppressed the people and revolutionaries struggling in 10 provinces. With a lofty spirit of responsibility for the destiny of the country, our party put forth the line and policy to encourage and motivate the entire people to unitedly rise up and together fight and defeat the U.S. imperialists and their traitorous lackeys. As a result, Laos gained peace, neutrality, independence, democracy, unification, and prosperity. The party led the Lao revolution to march firmly forward step by step.

Implementing this policy, we smashed the U.S. imperialists' schemes to wage a civil war to exterminate the patriotic forces. This led to the signing of the Vientiane agreement of 1957, which was followed by the formation of the first national coalition government with the participation of Lao Patriotic Front representatives. Upholding the banner of peace, independence, and national concord, and expanded our revolutionary forces throughout the country to provide protection for the two battalions that had taken part in the unification of Laos, expanded the political foundations of the revolution, and drew support from the people of all classes to broaden the national front and to the political struggle in coordination with the coalition government's activities. As a result, the prestige of the revolutionary forces expanded rapidly.

Scared of the growth and development of the revolutionary forces and suffering a defeat in pursuing their schemes of luring tigers from caves and making change through peaceful means, the U.S. imperialists resorted to violent means by using arms in carrying out resistance against the

revolutionary forces. In 1958, they used the Sananikon ultrarightist reactionary clique as a tool to overthrow the coalition government, tear up the Vientiane agreement, arrest and detain the leaders, and kill revolutionary fighters and patriotic people. They also encircled and wiped out soldiers of the two battalions that joined in the unification of Laos, namely Battalions 1 and 2, in Siang Ngeun, the Plain of Jars.

Faced with this situation, our party changed the direction of its struggle. It combined the political and armed struggles. Implementing the party's plan and policy, Battalion No 2 heroically sallied through the enemy encirclement and returned to its base. In May 1960, our various leaders safely escaped from the detention camp and returned to the revolutionary base. Pursuing their evil schemes, the U.S. imperialists and the ultrarightist Phoumi Nosavan clique intensified their suppression campaigns against the people in a barbarous manner. They also absurdly launched attacks against the revolutionary forces with the hope of exterminating them. However, such acts only roused indignation among the people. Deep conflicts in their ranks had also worsened. As a result, a coup d'etat took place in August 1960. Taking advantage of the situation, our party pursued a plan supporting the coup forces. In coordination with that situation, we launched operations to liberate the Plain of Jars-Xieng Khouang in January 1961. We then expanded our bases and repeatedly set up liberated areas from north to south covering two-thirds of the country with half of the entire population.

Faced with this defeat, the U.S. imperialists and their henchmen were compelled to accept the tripartite meetings in Hin Heup and La Mon, the meetings that led to the signing of the Geneva agreement on Laos in July 1962 with the participation and recognition of 14 countries.

[16 Jan 85 1100 GMT]

[Second in series of feature]

[Text] With the stubborn, true nature of the U.S. imperialists and their lackeys, immediately after its formation the tripartite coalition government began to act contrary to its words by suppressing patriotic people and assassinating Quinim Phonsena in April 1963. Overthrowing the coalition government and waging a war again, in 1964 the Johnson administration mobilized the U.S. Air Force to openly and arrogantly bomb and strafe the Lao liberated areas, under the direct command of the Koupasit-Sananikon clique along with American advisers.

Closely coordinated with the war in southern Vietnam and the destruction of northern Vietnam, the U.S. imperialists escalated the special war in Laos to a high level. They began with the Samson operation in which some 30,000 troops were used to nibble the liberated areas in Vangviang, Sala Phoukhoun, Kieu Kacham, and Muang Pik. They also launched various major operations such as Sonsai-1 and Sonsai-2, Mangkon-Sikhottabong, and Thanong Kiat to attack the Phoukout, Songlek, and strategic areas of Phou Viang and Xieng Khouang. In 1967, they mobilized four troop regiments to attack and seize the Nam Bak area as a prelude for the seizure of all liberated areas in northern Laos.

Faced with that tense situation, our party resolutely raised the national, democratic banner and encouraged the entire party, army, and people to fight to smash the nibbling attacks of the enemies and then consolidate and broaden the liberated areas. In 1968, our army and people launched the Nam Bak operation during which nearly 5,000 enemy troops were put out of action. With their stubborn, bellicose nature, in mid-1969 the U.S. imperialists used 50 battalions together with B-52 strategic bombers to launch the Koukiat operation against the liberated area of Plain of Jars-Xieng Khouang. But that operation was again completely defeated by our army and people. With the hope of recouping their painful defeat, the U.S. imperialists mobilized more than 400,000 Saigon puppet troops together with Thai mercenary and Lao puppet troops, supported by the U.S. Air Force, to launch the Lam Son-719 operation attacking Route 9 in southern Laos. But the Lam Son-719 operation was completely smashed by the army and people of southern Saravane Province in a few days. The important point is that the Nixon Doctrine of using the Indochinese to fight the Indochinese was completely and ignominiously defeated.

Following their defeat, the U.S. imperialists and their henchmen were compelled to sign the Vientiane agreement on restoration of peace and implementation of national concord in Laos on 21 February 1973 and to sign a protocol on the formation of the national provisional coalition government and the national joint political council. This marked a basic change of the balance of forces between us and the enemies. It also marked the leaping growth and strength of our Lao revolution. It created a basic condition for the national-democratic revolution in our country to march forward to achieve complete victory. It also marked the collapse of the Nixon Doctrine in Laos and the third U.S. defeat in its strategy in this country.

[17 Jan 85 0030 GMT]

[Third in series of feature]

[Text] As the situation evolved in that manner, our party mobilized the people of all strata, including all military officers and men and police officers and men of the opposite side, to demand the dismantling of the U.S. aid organization and to drive U.S. advisers out of Laos. The most outstanding incidents were the uprisings of students and pupils in Vientiane, Khammouane, Savannakhet, and Pakse and the people in Nong Bok District and the revolt against the puppet administration by the Vientiane side's 2d Battalion, which further weakened the position of the other side. Meanwhile, the revolutionary forces developed their strength to a higher degree, and the situation in the country was very ripe in the wake of brilliant victories scored by the Vietnamese and Cambodian peoples.

Taking the advantage of the once-in-a-1,000-years favorable situation, our party made a strategic decision to deal a decisive blow to the enemies to score a complete victory for the revolution and quickly wrest back the administrative power for the people. On 2 December 1975, the congress

of people's representatives in Vientiane unanimously adopted a historical resolution to completely abolish the monarchy and to majestically establish the LPDR.

That great historical victory marked the complete fulfillment of the national-democratic revolution and raised the curtain on a new era of the revolution--the era in which our people are the masters of their own country and destiny and are advancing along the glorious and majestic socialist path. Our victory constituted the fourth strategic defeat and the complete failure of the U.S. scheme to turn Laos into a neocolony.

CSO: 4206/81

LAOS

## NEED FOR SELF-SUFFICIENT PRODUCTION STRESSED

Vientiane VIENTIANE MAI in Lao 23 Nov 84 p 3

["Talking Together" Column by Thipthiangchan: "Striving to Be Self-Sufficient"]

[Text] To confront the need to increase production and to become self-sufficient especially in terms of food supply, in the past and also now our cadres, soldiers, police and the people are all highly conscious and a driving force in voluntarily carrying out their own duty. This is demonstrated by their actual behavior in many ways, specifically in increasing production, cultivation, and animal husbandry that started out with small family production and then gradually expanded extensively with the goal of converting from private scattered production to collective and agricultural co-op production with each firm and admirable step.

In the past 9 years the Lao people of ethnic groups nation-wide and especially the people of Vientiane Capital were very proud of their peace, independence, sovereignty, and integrity. Many hundreds of years ago Laos and also Vientiane Capital were under the ruling yoke of feudalism and colonialism. Laos has always been an underdeveloped country. In addition, nearly a century ago Laos and also the Lao people were under the ruling colonial yoke of both the old and new regimes. Over a period of more than 30 years Vientiane Capital was a market for distributing the capitalists' goods and a nest for the accumulation of the rot and stink of the evil and filthy culture of the imperialists, capitalists, and warlords. Most of the people in Vientiane Capital neglected their diligent heritage in working and increasing production, and instead they followed and clung to the poisonous economy of the capitalist distributors. Most of the youth became [out of control]; they played pitifully, ate luxuriously, etc. For only a piece of vegetable they opened their mouths to eat from foreign countries.

From 1975 to 1976, only a 1-year period after the national liberation, Vientiane under the leadership of the party committee and the administrative committee of the people was changed to a city of production, especially agricultural production. Now for 9 years Vientiane has advanced to being self-sufficient and self-reliant in terms of the food supply, e.g., rice, vegetables, and a number of other edible plants. This is a result that the people in Vientiane Capital achieved in only a short period of time. We are



proud of our success, but [we should realize that] now more than ever and from now on cadres, military men, police, and especially farmers must turn over a new leaf so we can be self-sufficient in terms of food supply, e.g., rice. We must also carry out our obligation to supply food for the central echelons. This is the lofty duty of the cadres, military men, police, and farmers throughout our capital. We have been honored and trusted by the Party Central Committee and also the government. Vientiane Capital Party Committee Secretary Comrade Sisavat Keobounphan emphasized that "The irrigation section must work 30 days a month and try to ensure 10,000 hectares of production area throughout Vientiane Capital with irrigation water for the 1984-1985 dry-season production." This is also the expected plan of the party Central Committee and the administrative committee in Vientiane Capital [which was] set up to help this dry-season production to meet the demands of the entire people within Vientiane Capital.

Along with the set expectation of Vientiane Capital, our farmers must determinedly work to achieve the expected figures. In this dry season, first of all, we must try to work on dry-season ricefields under the slogan: "We must plough wherever the water reaches." We should leave absolutely no space empty. In the past many districts have started to set their own plans very well, [but merely hoping for] the plan to give concrete results when they actually first start out properly. The nearby administrative committee should attentively check and guide on the actual work right where they are, and also provide necessary and adequate equipment for the farmers. Meanwhile, they must guide the farmers to make use of vehicles and local materials in their localities as much as possible by combining materials with modern machines. If they can do so we will definitely succeed.

9884

CSO: 4206/55

LAOS

LITERARY JOURNAL PRINTS THAI PAPER ON BORDER DISPUTE

Vientiane VANNASIN in Lao Nov 84 pp 15-17

/Article: "Belonging to Laos or Thailand." The passage following the indented introductory paragraph is published in both Thai and Lao. The Lao is an exact translation of the Thai. The last page of this article contains a map of the disputed area printed in Thai which has been omitted from this translation/

/Text/ It is difficult for us to seek justice in reactionary warlord power clique society such as in Thailand because the suppression of justice is the true nature of the ruling clique. However, justice is always with the people, and this justice itself will defeat injustice. This is an objective theory of social revolutionary progress. The Lao and Thai peoples must win the case in which the Thai reactionaries destroyed the good relations between the peoples of Laos and Thailand by encroaching upon and occupying Lao territory. We let you read the article "The Three Villages Belong to Laos or Thailand" by an important person in Thai circles. We print the original in Thai and the Lao version along with the map drawn by the RTA Chief of Staff Department in 1909.

Urgent

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25 August 1984

Subject: The three-village issue (Ban Mai, Ban Kang, and Ban Savang)

To: /words blacked out in text/ and the commission /words blacked out in text/

Enclosed: One set of documents (11 pages)

According to what the chairman of the Foreign /Affairs/ Committee of parliament stated after the Foreign /Affairs/ Committee conference on the afternoon of 29 June 1984 to a reporter, the solution to the three-village issue should be carried out according to a correct policy

and by peaceful means, and he believed that this issue could be terminated without loss of face by both the Thai and Lao sides. He also stated that there is a need to study the correct evidence, history, maps, and agreements in detail. All of this suggests that the committee, especially the parliamentary Foreign /Affairs/ Committee chairman who was a former prime minister, foresees good relations and fraternal friendship between these two countries. He is the only one who did much to help pave the policy of friendship and peace between Laos and Thailand by having an agreement with Prime Minister Kaysone Phomviharn that when any incident occurred between these two countries talks should be held from the local committee on up to the national committee level. He is truly dedicated to peace in this region of the world.

As a Thai citizen I am very much concerned for the security and reputation of our country. For this reason I would like to present my opinion to you and the committee as follows.

Conclusion of both sides at the end of the talks

1. Lao side

1.1 Ask that the Thai troops who occupy the three villages be withdrawn first, because Laos feels that it has true sovereignty over the three villages and especially Ban Mai, which has been in existence for over 100 years. Ban Kang and Ban Savang were set up later. (Thus, Ban Kang and Ban Savang do not appear on the map in the Siamese-French agreement). Ban Kang is approximately one-half km from Ban Mai, and Ban Savang is only approximately one km further. This means they are close together but they are on Lao territory.

1.2 Ask the Thai side to return the Lao people to their villages. The Lao side claims that when the Thai side sent its troops to occupy the three villages they completely abolished the Lao ruling system that had long been in existence since the beginning. For example, they forced and trained Lao people to be Thai. There were elections of /subdistrict and village chiefs/ to replace /Lao/ canton and village chiefs. The Lao people were forced to register for their ID cards in the Thai manner. While they used to study the Lao language, they are now being forced to study Thai. It is difficult to deny this matter because Mr Thavat Makonphong, Outtaradit provincial governor, gave an interview on June 1984 in which he said that our side has never had any involvement with these three villages. There never were elections of subdistrict and village chief before. The villagers have never come to vote for any /Thai representative/ I used to work in the Ministry of Interior, and I understand that in Thailand at the present time there is no place where there are elections for subdistrict and village chief. In other words, the people have never gone to vote for /Thai representatives/. Also, long before this these villages were under Laos. When we built a road into them they had to fight to protect their land as follows:

- on 24 May 1984 we sent company-size forces in but they were defeated;
- on 26 and 28 May 1984 we again sent forces in but they were defeated;
- on 1 June 1984 we planned and carried out a big attack in Ban Bo Bia in our territory;
- on 4 June 1984 there was an agreement in Vientiane between the Thai and Lao sides to have talks between local committees, but there were no talks. We used battalion forces to chase their side on 6 June 1984. They had to flee the three villages. It is regrettable that a small issue has become a big one.

1.3 The Lao side asked the Thai side to assist all the victims.

1.4 The Lao side asked that everything be back to normal as it was before 6 June 1984, i.e., to allow them (the Lao) to govern their own people and bring them back to normalcy first.

1.5 Later on a technical committee will be set up to do a joint study of the actual physical features of the land.

## 2. Proposals by the Thai side

2.1 The Thai are ready to withdraw their forces, but Laos must not send any forces into the three villages again. The Lao side did not agree and insisted that they must maintain the Lao governing system as they did previously.

2.2 The Thai have requested a joint technical committee to examine the actual physical features of the land immediately, but the Lao side did not accept this.

2.3 We asked to relocate the border line. The Lao side insisted that the old border markers were already there, but that we went into /the disputed area/ and pulled them down.

2.4 We asked the Lao people to return home as they pleased, but the Lao side asked for all of them to be sent back.

2.5 We asked both sides to help the victims. The Lao side did not agree for the reason that the Thai side was the cause, and therefore they should be the ones who paid for everything.

Another thing is that for agreements and maps each side now accepts that a common ground in solving the problem is to consider the Siamese-French agreement of 1904 as an important principle, i.e., to consider the watershed as the border. If the water flows into the Mekong River it belongs to Laos, and if it flows into the Chao Phraya

River it is Thailand's. Later, the French and Siamese made an agreement on 23 March 1907 with a map attached on a scale of 1 to 200,000. As a result Ban Mai which is approximately 7 km from the border belonged to Laos, and Ban Bo Bia and Dan Sai District belonged to Thailand. Here the king of Luang Prabang protested to the French that they should not do so, but they did not agree because they had to take the Nam Heung River and the watershed as the /determining basis/.

Later, a border map between the Kingdom of Siam and French Indochina was printed by our RTA Chief of Staff Department in 1909. This map recognized that Ban Mai was in Lao territory. (At that time Ban Kang and Ban Savang had not yet been set up, and that is why they did not appear on the map). This shows that our side has accepted what was referred to in the agreement above. Our (Thai) side uses the aerial photographic map of the U.S. Army printed in 1978 with a scale of 1:50,000 and our aerial photographic map printed in 1978 as evidence. (The U.S. Army aerial photographic map was made especially for the battle in Laos at that time). Regardless how much more detail one has than the other, none of the agreements /are recognized/ by both parties and cannot be legally claimed as the border, because if aerial photographic maps in many parts of the world were made to replace the original ones that were used previously as evidence, many countries probably would have justification and there would be disputes in many more countries. There will be no end to problems in the world. This is what worries me very much. I am afraid such as this is not a small matter. Many peace- and justice-loving nations probably understand this problem.

Therefore, I am letting you know so that our side can prepare well for the fight and will not fail. I do not want to see the Thai nation lose its reputation in the international community as once occurred in the Khao Phravihan case. However, I ask that our nation stand up and fight by also considering the principle of a policy of peace. If /military/ forces are used, both sides will destroy each other and would only become tools for the superpowers. Sincerely yours, (signed) /words blanked out in text/

9884

CSO: 4206/46

LAOS

SOVIET, GDR FORESTRY AID; DEFORESTATION FEARED

Vientiane PATHET LAO in Lao No 2, 1984 pp 10-12

/Article by Khamphan Chittavong: "The Value of Forests"

/Text/ Forests are very valuable and a most important natural resource. They are not only a storehouse of natural biological resources but also something we can transform. They can always be renewed with rich and valuable resources.

Moreover, forests are also useful in protecting the environment, i.e., air circulation, stream protection, preventing natural disasters such as flood and drought, and ensuring normalcy for agricultural production. Thus, properly speaking the loss of forests means the loss of the nation as well.

Because of the significant role of forestry, the party and our government have correctly set the direction to convert forest agriculture /into/ a base for industrial expansion in socialist construction. In order for everyone to absorb and grasp the significance of this work, the mid-level forestry school in Dong Dok, Vientiane, the first such school in the country, has been revived. The school has trained a total of five groups of forestry students divided into two sections, Russian and German. In three groups over 90 students completed the curriculum. The third and fourth groups have a total of over 360 students and are carrying out their actual work in factories and forests in different localities. Meanwhile, others are studying theory. A total of 20 subjects particularly concerning forestry are being taught in this field according to a 2-year curriculum assisted by teachers from the USSR and the GDR, and also the Kingdom of Sweden and international organizations that have come to assist in constructing tools for specialized tasks and a number of consumer products.

Comrade Bouabai Outhavong of the school board of directors and also chief of the /executive organization office/ told us that high school graduates nationwide are accepted for forestry technician training to provide adequate specialized task cadres for departments, settlements,

enterprises, and provincial forestry sections so that each place will be able to guide forestry enterprise, seedlings and tree planting, and forest and natural resource preservation, to grasp regulations for felling trees and transporting the wood, to know how to survey and adopt plans, to properly allot and protect the forest, and to make everyone see the significance of the forest as it is involved with our lives.

Therefore, Laos is now in the position of base construction in order to create conditions for upgrading to a high-level forestry school.

Prior to this time Laos was 63 percent covered by forests. Because of careless tree felling, forest slashing and burning, and lack of responsibility, Laos is now only 48 percent covered by forests, or 11 million hectares. Although the figure has greatly decreased, Laos is still one of the most forested countries in the world (it is in 3rd place next to the Kingdom of Sweden). However, if we do not understand how to take care of the forests they will be completely and finally gone as was learned by many countries in the world.

9884

CSO: 4206/49

LAOS

TEACHERS WARNED ON U.S., PRC-SPONSORED SUBVERSION

Vientiane SUKSA MAI in Lao Oct 84 pp 1,6

/Article: "Determinedly Make All Schools True Socialist Outposts"

/Text/ In the new socialist regime, schools are a tool of the dictatorship of the proletariat and places for the dissemination of Marxist-Leninist theory and party policies. The schools belong to the working class and to the working people of ethnic groups. They are centers of culture. They are not only places to teach the alphabet and mathematics, but also to train deeply in socialist ideology. They are completely different from schools under the old and new colonialist regimes that used schools for exploitation and trained young people to be selfish with no /national consciousness/ and to resist the people.

To make the schools true socialist outposts, different levels of educational committees and boards of directors for all the schools and all teachers must absorb and firmly grasp the dictatorship of the proletariat. First of all they must absorb and firmly grasp the party political policy in the new phase, especially the party's education ideology, and clearly understand and be highly attentive toward the conversion scheme by peaceful means. The American imperialists and the Beijing expansionists and hegemonists never tire of wanting to extinguish the revolution in our country by destroying the revolutionary ideology of the education cadres and teachers by means of bribery, deception, and threats, so that they neglect their duty, cooperate and serve them, and return to recruit the revolution.

By being aware of the purpose and this harmful plan of the enemies, our education section whose schools are located in almost all villages nationwide involving educational cadres, teachers, and students that make up a fairly good part of the Lao population, must unite and directly carry out the dictatorship of the proletariat in the schools. That is, the party leads, the government controls, and the people are the collective owners.



Party committees for different education levels and party chapters in different schools must attentively follow, respect, and encourage the practice and application of Marxist-Leninist theory in the schools to /inculcate/ the party's educational view which is that schools are a tool of the dictatorship of the proletariat. Education must serve the revolutionary policy of the party; education must serve production; education must become a task of the working masses; schools must get involved with society, join firmly political education and cultural education, science and working techniques, and specialized tasks. /The party committees and party chapters/ must become the spirit of all organizations and all movements in the schools; they must pay attention to the most basic content in political education which is Marxist-Leninist theory. Here they must quickly train political teachers according to the order of the secretariate of the Party Central Committee on 25 May 1984 on increasing political theory training in specialized schools at the basic, mid-, and university levels, and must guide, create conditions for, and facilitate education in their own localities of responsibility.

School boards of directors and all teachers who represent the government in school management in each place must attentively train teachers and students in political ideology so they will have firm views on principles, be able to clearly differentiate friends from foes, create fraternal solidarity between teachers and students, effectively manage specialized tasks, seek appropriate means to steadily raise the quality of teaching and the learning of students, and correctly manage various policies toward education cadres, teachers, and students with the approval of the Council of Ministers. The school boards of directors and all teachers must attentively and effectively take care of the standard of living in terms of materials and spirit of teachers. They must encourage and facilitate mass organizations in the schools with the contents and firmly cooperate with the parent-teacher organizations, educational support associations, the Lao Patriotic Front, scholars, monks and novices in order to mobilize the people to clearly understand education work and to awaken them to take part in building up education however they can. They must organize the emulation process in teaching and learning, select good students in different subjects, provide schools with the appropriate means to serve political work, e.g., newspapers, wired network, and broadcasting equipment, and organize production work, security, and political and military studies.

The mass organizations, a strong force in the schools, must promote their own principal roles in implementing all plenums, orders, policies, party policies, government laws, and the regulations strictly set by the schools. They must raise their own decisive ability in the schools and consider the schools theirs, and always be a model in working and guiding the people in every aspect.

Only the party and government and the mass organizations are in the same system of the dictatorship of the proletariat in the schools, and only they effectively work together in the organ and ask for cooperation from other sections. This will make the schools become tools of the dictatorship of the proletariat and true socialist outposts in order to stop enemies in a timely manner, take part in improving the standard of living of the people step by step, become a firm base for scoring achievements for the two national historic days, and promote the victorious success of the socialist revolutionary process in our country.

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CSO: 4206/49

LAOS

FURTHER REPORT ON REFUGEES FROM PRC

Chiang Mai THIN THAI in Thai 9 Jun 84 pp 1, 12

[Text] 300 Laotian Refugees Stranded on Island Try To Escape Flood.

News report from Chiang Rai province reported that 294 Laotians who were stranded on a small island in the Mekong river were brought to shore by Thai officials. Had they not been helped, they would have drown in the current from the north which will eventually flood the island.

Stranded on the island since last February, the 172 adults and 122 children refugees were helped by both Thai and UN officials and were taken by bus to the refugee camp in Panat Nikom, Choburi province.

Mr Bernard Gerblatt of the UN refugee program said that the island will soon be flooded and all the refugees will drown if help was not given. He also mentioned that the People's Republic of China (PRC), after a long period of negotiation, has agreed to accept them back in the country.

Escaping from Laos in BE 2518 when the communist took over, these refugees were once accepted by the PRC. They, however, escaped and had fought their ways through the jungles until they reached the Mekong river. With help from Burmese officials, they rafted down the river. However, Thai officials refused to let them in the country. Consequently, they stayed on the island. The PRC will allow them to settle in Yunan province. The Laotian government, however, refused to accept them back claiming that they lost their citizenship once they escaped.

It is not an UN policy to let refugees settle in a third country. This is to prevent such a trend. There are now 2,500 Laotian refugees who have settled in the PRC and have yet shown their intention to move to another country.

One of the refugees, Mr Boonlom Singhanart, age 35, mentioned he will escape again after he is back in China. According to Mr Boonlom, Yunan is a poverty stricken province and since he cannot speak Chinese, he will not have any work. Also if he does something wrong, he will be punished and sent to a seminary. The income, at 180 baht per month, is also very low. Other refugees also said that they will escape again.

LAOS

PROBLEMS IN MONG AREA SAID TO HAVE BEEN OVERCOME

Vientiane PATHET LAO in Lao No 2, 1984, pp 8,9

/Article by Phonkeo: "Education in the Area of Ethnic Groups"

/Text/ Everyone thinks that Hom District, Vientiane Province, a remote, hard-to-access ethnic group area as yet unreached by roads, is still without education, but the fact is that it has become a new step that has never before occurred in the history of the expansion of Hom District.

We went to see Comrade Bounyong Sisongblong, the district party secretary, who told us the outstanding problems and the new phenomenon which has extensively expanded, particularly district education. As we know, prior to the liberation the population was only 4,800 people and consisted of Lao Soung, Lao Yao, and Lao Kang scattered among the high mountains. They did not have any education at all. Their special characteristic was to fight against the aggression of the American imperialists and the Vang Poa warlords along the eastern part of the Vientiane region. However, their plan to divide the ethnic groups by teaching the Mong language failed because of the solidarity of the ethnic groups in the Lao /nation/. They were able to achieve victory nationwide. This was the outcome of the Hom District people of ethnic groups who have contributed a great deal and which has made a great many people in Hom District and Hom District itself become heroic in national liberation.

In advancing to the period of defending and constructing socialism the party and government have attentively put all their efforts into making Hom District a model district as befits its former brave heritage.

Speaking of the expansion of our education, 8 years ago Hom District was a white area /an area with no LPRP presence--FBIS/. In the 1975-1976 academic year there were only four basic elementary schools that did not teach on a normal basis. Teaching and learning is still faced with difficulties. Their homes are scattered and are not permanent, but the people in Phou Hout Canton, Long San, and Pha Lavek have mobilized /public education/ and set up their first new school. Now each village has a basic elementary school. In five cantons there are

complete elementary schools and almost 100 percent of the government cadres can read and write. Moreover, in the population base there is /supplementary education/; from the 1st to the 3rd years there are 1,717 people. In 1983-1984 alone there were 37 schools totalling 89 classes with a total of 1,118 students throughout the district. There is 1 kindergarten, 33 elementary schools, 1 secondary school from 1st to 3rd year, 1 teacher-training school, and 1 cadre /supplementary education/. There is a total of 157 teachers and there are two high-level, 17 mid-level, and 117 basic-level teachers, and 8 basic elementary and 2 /upper secondary education/ teachers.

Although some schools are not permanent, teaching equipment is still lacking, and the production base is not yet strong, the actual outcome shows the new step of Hom District education, and that it is no less than other districts. In the flatland where it is easier the administrative committee and the people determinedly pay attention to and consider education one step ahead, resulting in new progress in education in the ethnic group area in Hom District as befits a heroic and truly revolutionary base district.

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CSO: 4206/49

LAOS

# FEATURE DISCUSSES DEVELOPMENTS IN CHAMPASSAK

BK191412 Vientiane Domestic Service in Lao 0030 GMT 16 Jan 85

["Feature article," "Outstanding Province in Production"]

[Summary] "In our conversation with Comrade Thong-in Thammakot, deputy secretary of the party committee and chairman of the Administrative Committee of Champassak Province late last year, we learned about the numerous achievements scored by the people in the province in profoundly and extensively implementing the fifth and sixth resolutions of the party Central Committee."

According to the provincial administrative committee chairman, the provincial propaganda and training school summoned cadres from 10 districts in the province to undergo several training courses on Marxism-Leninism and the party's line and policies. As a result, the province has advanced with firm steps in all aspects, especially in production by various important sectors. The average rice production per hectares of farm land in our country was estimated at 2.5 metric tons in 1984. However, Champassak Province has managed to produce 2.7 metric tons per hectare in the past year.

In spite of heavy floods, in 1984 farmers in nearly 500 agricultural cooperatives in the province brilliantly strived to fulfill the rice production targets. After completing the harvest of the main season rice crops, farmers in the province energetically and voluntarily paid agricultural tax to the state earlier than scheduled. So far, the province has collected nearly 10,000 metric tons of polished rice for the center.

In addition to boosting agricultural production, the province has also strived to promote production in other fields. The wood processing company of the province has enthusiastically tried to reorganize its production management in order to increase revenue for the state. The electricity generating dam at Se Labam has also been reactivated to serve the people and production. The 2 December machine tools factory in Pakse District is now in full operation.

"We can claim now that an estimated 400,000 residents of Champassak Province are diligent and have devoted themselves to engaging in production, realizing their right to collective mastership, and enhancing their creative thinking."

The province now has 6 high schools, 13 secondary schools, elementary schools for all villages, and 53 medical clinics in 66 cantons.

"The 140-km stretch of the common border the province shares with the PRK has now become a border of friendship and neighborly cooperation. The fraternal relationship between Champassak Province and Stung Treng Province is based on the spirit of sincere mutual assistance. The SRV sister province of (?Nghia Binh) has also shared its vast experience and rendered assistance and cooperation with Champassak Province."

Even though the enemies have stepped up sabotage activities in the areas along the 125-km stretch of the province's common border with Thailand, the people living along the border have also maintained high vigilance and have energetically carried out production and public security work.

"The province is now advancing to implement the seventh resolution of the party Central Committee to score achievements to welcome the two great historical days of our nation and to fulfill the production plan of the final year of the first 5-year state plan with full confidence."

CSO: 4206/81

LAOS

# VIENTIANE SECRETARY ON TAXATION OF PRIVATE SECTOR

Vientiane VIENTIANE MAI in Lao 6 Dec 84 pp 1,4

/Article: "Vientiane Province Closes Meeting on Enterprise Registration and Taxation of Private Business"/

/Text/ Recently a ceremony was held in the main club of Vientiane Province to close a 3-day meeting on circulation enterprise registration and taxation of private business throughout Vientiane Province.

Participating in the meeting were Mr Khamphai Ounlada, provincial party committee secretary, Mr Khambot Sisouvong and Mr Sivilao Sisouvong, regular members of the provincial party committee, and cadres concerned around the province totalling 45 comrades.

In the closing ceremony Mr Khamgent Sinnavong of the party committee and the provincial administrative committee and chief of the industry, handicrafts, and forestry section committee read a report in the name of the committee responsible for the organizing and carrying out of the plan on circulating the enterprise registration and taxation of private business according to the order of the chairman of the Council of Ministers from mid-June to the present time, which is over 5 months. They were able to achieve the basic level in the first period of the task, which was good for the next step.

Mr Khamheng Sinnavong pointed out that the enterprise registration and taxation of private business is a fierce struggle to make the people and merchants in general understand that the purpose of the taxation policy of the new regime is to protect and promote production and to steadily raise the standard of living of the people of ethnic groups. It is different from the taxation of the old regime, which was the imperialist exploitative rule.

There are 956 private enterprise bases throughout Vientiane Province including 195 industrial and handicrafts bases, 158 service bases, 116 land transport bases, 25 water transport bases, 494 trade bases, and 4



construction bases. Fair progress has been made in collecting enterprise and private sector taxes of all kinds. From January to October 1984 we were able to collect over 75,000 kip, a 31.35 percent increase when compared with that for 1983.

Later Mr Khamphai Ounlada gave a talk at the meeting in which he pointed out the movements and struggle of both the weaknesses and strengths of enterprise and private trade in Lao society at the present time. We must firmly grasp the economic principles and primary goals that we have to determinedly limit, transform, and use effectively in the national economy. Moreover, we must suggest a number of detailed techniques for organizing and carrying out the registration of enterprise and the taxation of private business immediately, which are effective and consistent with the policies of the Party Central Committee.

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CSO: 4206/64

LAOS

SRV ASSISTANCE IN GYPSUM MINE, STATISTICS REPORTED

Vientiane PATHET LAO in Lao No 2, 84 pp 18-21

/Article by Phon Keo: "Results of Cooperation"/

/Text/ We are still not efficient in extracting our rich natural resources and we still lack technicians. However, we have been doing everything possible to survey and excavate different mines at surface level that are easy to operate. Meanwhile, we continue to excavate and revive those where the colonialists had operated and who had dug them out when we were their colony. The Dong Hen gypsum mine is one that has been continuously excavated.

Although the surveying and excavation had just started at the end of 1979, it was not a new mine. From 1932 to 1947 this area had been excavated and heavily mined by the French imperialists.

The gypsum mine was located and surveyed in the Hin Keo Mountain, Dong Hen Canton, Atsaphangthong District. This is a range that extends to the Champhon District area northeast of Savannakhet Province, branches off Route 9, and goes to Km 63. In the primary survey a total area of 500 square kilometers of gypsum was found, and where it was already found and is now being excavated and distributed was 3 square kilometers. The depth of the gypsum is 4 meters. Gypsum mining is easier in comparison with the mining of iron, coal, and other ores. We have only to bulldoze the surface soil to get to the gypsum layer, clean the rock, drill and blast it, and then crush it down to the size we need to distribute it. In some places the gypsum is even on the top of the soil surface. Based on its occurrence, limestones can be divided into three types: the first with 100 percent quality, the second with 95 percent quality, and the third with 85 percent. It is called gypsite composed of  $\text{CaSO}_4 \cdot 2\text{H}_2\text{O}$  (calcium sulfate hydrate). When it is broken down this gypsum can be used in many areas in economic and industrial construction, for example, to produce white cement, cement mixing compound, plaster for casts, chalk and earthenware molds.

We are able to produce 100 percent of these five products and it is expected that we will also be able to manufacture sulfuric acid, ceramics, chemical fertilizer, and first-quality paper.

The party and SRV government have assisted in the construction and excavation of this gypsum mine in a spirit of friendship, special solidarity, and all-around assistance through the 4-year period from the end of 1979 to the handing-over day on 18 January 1984. /Company 3/ of the Mineral Federation and the SRV Construction Ministry were assigned to this task and their duty was to construct the base, excavate gypsum, and in the meantime they also helped to train Lao workers on the job. Throughout the 4-year period of base construction and excavation they constructed housing, a dining hall, a hospital, an electricity plant, a machine and road repair plant, etc. Gypsum excavation from 1980 to 1983 totaled 170,000 tons and in 1983 in particular it was 70,000 tons. This result was still considered trial production. The goal of the 1984 production plan in particular is 100,000 tons. Along with the base construction, cadre training has become a focus for management and production following the handing-over. There is now a total of 68 cadres and workers; 20 persons had training in Vietnam and the rest are Vietnamese workers who joined in the excavation. Based on the plan estimate of the gypsum mine board of directors, if we are to produce 100,000 tons per year this would require a total of 400 workers.

In the gypsum excavation and production area over 3 square kilometers, Lao and Vietnamese workers are doing all they can so that this year they can excavate and produce 100,000 tons of gypsum as planned. No matter whether they are in a crane unit, dirt- or rock-hauling trucks, the repair section, or some other section, they all work together to assist, guide, and discuss their experiences. This demonstrates a spirit of friendship, special solidarity, and sincere assistance. Though they are still confronting difficulties in the gypsum excavation in terms of labor, vehicles, and the fact that other equipment is still lacking and is far away from the district, they are united and determined to succeed victoriously in the 2nd plan which the two parties and governments signed on cooperation in the excavation and construction of this gypsum mine.

9884

CSO: 4206/49

LAOS

# EDITORIAL ON SIGNIFICANCE OF PLANS IN ECONOMY

BK231148 Vientiane Domestic Service in Lao 1400 GMT 12 Jan 85

[Editorial: "Pay Attention to Consolidating the System of Making Plans"]

[Text] The making of plans is an important part in the economic management mechanism. Plans must outline the implementation of the party's economic strategy and line. They must explicitly outline fundamental objectives, ensure overall equilibrium among the foundations of the national economy, and maintain the close relationship between transformation and construction, between the center and localities, between the economy and national defense, and between home and abroad.

On the basis of our present economic foundations, the division of the economic management levels and the division of plans for all localities must go in hand with the broadening of our cooperation and economic relations with the socialist countries. This is the most important condition which allows our country to march forward firmly. This matter cannot be taken lightly in the formulation of plans.

During the period of bypassing capitalism on the road to socialism, while our economic foundations are composed of many components and goods production is still underway, the work of making plans must attach importance to value and the value of consumption. Attention must be paid to closely linking plans with marketing and correctly applying the relations between goods and money, the relations of markets, and the economic levers. Moreover, plans must ensure a balance between demand and supply, export and import, money and goods, and ability and demand; and ensure harmonious development among all localities and among all services and economic sectors. All economic and social movements must be drawn toward the common objective of defending and building the country. Plans must coordinate construction from the higher to the lower levels and must be implemented from the grassroots level upward.

The drawing up of plans is the precise realization of the party's line, and confirms whether or not the party's line is socialist and genuinely Marxist-Leninist. Therefore, the transformation of the national economy according to plans, the shifting of all branches of work to plans, and the building and execution of plans are the duty and responsibility of all of us and of all branches of work in carrying out the planned socioeconomic development of our country.

## LAOS

**CARTOON ON RTG USE OF LAO EXILES IN SAYABOURY**

Vientiane SUKSA MAI in Lao Oct 84 p 16



Key:

1. Thai ultrarightist reactionary
2. Lao reactionary exile
3. Thailand
4. The three-village area
5. LPDR
6. Forest people
7. Thai ultrarightist reactionaries' pan-Thaism supported by Chinese expansionists and hegemonists.

9884

CSO: 4206/49

LAOS

## PRODUCTION AT SWEDISH-AIDED OXYGEN PLANT

Vientiane PASASON in Lao 24 Nov 84 p 2

/Article by Chanthalak Meuangmani: "The Lao-Swedish Friendship Oxygen-Acetylene Plant"/

/Text/ As we headed along the Vientiane-Tha Deua road and reached Km 9, on the left we saw the Lao-Swedish friendship oxygen-acetylene plant under the Ministry of Industry, Handicraft, and Forestry.

When we went into the plant we met workers throughout the factory who were emulating each other happily carrying out their tasks. Comrade Ogat, the plant assistant director, gave us a tour inside the plant. When we reached the side of the machines we surveyed the plant. We saw machines standing there, in order and continuing like a chain, starting with the water-pumping machines to the steam-filtration machines, respectively. The workers were engaged in operating each machine with a high spirit of responsibility for production. Comrade Ogat told us that in the beginning this plant had no modern machines. This plant has been in operation since capitalist /ownership/, and after its ownership was directly transferred to the government on 5 May 1977 the machines have been improved and modernized, and the plant has started its production to serve society.

The plant has a total of 37 workers: 6 high-level, 8 mid-level, and 23 basic-level workers, and 8 are women. Two production sections were set up for oxygen and acetylene. The production is effective because the workers are highly attentive to their own production task and have learned from the experts. This was shown by the production outcome which serves the public as expected or exceeds the expected plan in a timely manner.

Production to serve the public in 1984 met or exceeded the year's plan. For example, the yearly plan for the oxygen section was 4,700 tanks, and actual production and distribution since early January to early October was 43,890 tanks or 93.20 percent of the plan for the year /as published/. The yearly plan for acetylene was 500 tanks and for

the actual production since early January to early October 641 tanks were distributed, exceeding the plan by 28.20 percent. Now the workers throughout the factory are emulating each other to score achievements so that they can respond to the demands of society as expected or exceed the plan. This is also considered taking part in scoring achievements for the coming two great historic days.

9884

CSO: 4206/54

LAOS

# NEW TURBINES TO EXCHANGE NAM NGUM HYDROPOWER CAPACITY

Vientiane PASASON in Lao 29 Nov 84 p 2

/Article by Louk Khao Niew: "A Gift for the Ninth Anniversary of National Day on 2 December"

/Text/ In order to welcome this coming ninth anniversary of National Day on 2 December (2 December 1975-2 December 1984) the Nam Ngum hydropower plant workers are all feverishly working on each of their own specialized tasks with a spirit of revolutionary fervor in order to complete the third phase of the Nam Ngum Hydropower Plant No 1 construction project, and also to ensure that the 40,000 kW electric generator No 5 which is the last unit of the plant will be able to victoriously run officially on 1 December 1984.

The Nam Ngum Hydropower Plant No 1 third phase construction project is one of the most important construction projects in the First 5-Year Plan of the government. It was started in mid-January 1984. After the workers had been working tirelessly until 8 April, the workers in the No 5 turbine installation section were able to succeed in their installation. A few months later the workers in the plant were again able to successfully install the 40,000 kW generator No 5 on 16 June. The achievement in construction came from the lofty judgment of the Nam Ngum Hydropower Plant workers who implemented the slogan saying that electric power is a basic element of large-scale socialist industrial construction. It enabled the workers to complete the first basic test of letting water into generator Unit 5 on 15 November 1984. Based on the report of the committee responsible for this construction project, when the third phase of the Nam Ngum hydropower No 1 construction project is completed the plant will be able to increase electricity production from 110,000 kW to 150,000 kW, which is the maximum capacity of this hydropower plant.

One of the reasons for the pride and assurance of the workers here to work effectively and correctly according to the /guarantee hour plan/ was because the workers have always been closely trained by the higher echelons both in promoting their ability and in politics regularly. This enabled them to understand the duty and role of the workers in constructing a new progressive and strong socialist society.

9884

CSP: 4206/54



LAOS

PRICE INCENTIVE ORDERED FOR SWEET RICE PRODUCTION

Vientiane VIENTIANE MAI in Lao 4 Dec 84 pp 1,4

/Circular No 4899/VtCP on raising the purchase price of nonglutinous rice and dry-season rice, and increasing nonglutinous rice-growing/

/Text/ To: District administrative committees around Vientiane Capital Subject: To raise the purchase price of nonglutinous rice and dry-season rice, and to increase nonglutinous rice-growing in order to upgrade the agricultural structure with regard to rice-growing by implementing the new spirit of economic management of the party and the LPDR government, and to respond to the increased need for food by the people and government employees in Vientiane Capital. Thus, we need to increase the food supply.

Based on the above reasons, the Vientiane Capital Regular Committee unanimously agreed in a meeting on 20 November on the following.

1. Nonglutinous rice will yield twice the harvest of glutinous rice. Therefore, we see a need to mobilize the people for extensive growing of nonglutinous rice in this year's dry-season rice-growing.
2. In order to be sure that we can get rice seedlings, the agricultural section and districts must organize and look for good rice seedlings for distribution for the farmers to borrow.
3. In order to strongly promote the material aspects of nonglutinous rice-growing we have agreed to make the purchase price of nonglutinous rice higher than the price for glutinous rice by 1 kip per kg. For example, the price of glutinous rice is 12 kip per kg and so the purchase price for nonglutinous rice will be 13 kip per kg in the same locality.
4. Agricultural sections, administrative committees of all levels, and the mass organizations must strongly and extensively mobilize, lead, and organize and carry out nonglutinous rice-growing. The food company and the people's trade co-ops must do all they can to bring money and goods to purchase and exchange with farmers in a timely manner and throughout.

We hope this circular will be disseminated and carried out effectively. Vientiane, 30 November 1984, Vientiane Capital Administrative Committee Chairman Khambou Sounisai.

LAOS

## EDITORIAL SPECIFIES ECONOMIC MANAGEMENT RESPONSIBILITIES

Vientiane PASASON in Lao 4 Dec 84 p 1

/Editorial: "Properly Organize the Administrative and Economic Management Structure at the Village, Canton, and District Levels."  
A shorter version of this item was processed from Vientiane KPL in English 4 Dec 84 and published in JPRS Southeast Asia Report No 84-179 28 Dec 84 p 33/

/Text/ Along with hurried improvement in emulation and management between the center and localities, the transformation and improvement of the local machinery for management and the /proper/ organizing of the administrative and economic management structure at the village, canton, and district levels are the impetus to directly promote production and to raise the people's standard of living.

Thus, there is a need to develop machinery to protect the new socioeconomy that is suitable for the actual present situation in our country in order to continually increase efficiency and /productivity/

Just for agriculture, we now consider at least 30-40 houses to be a grassroots unit for various purposes, e.g., administration, national defense and security, and economic construction. Agricultural co-ops, trading co-ops, and credit co-ops are set up by village. District level comes after the village level. The canton level has a middle role to facilitate districts and to promote control, inspection, and encouragement.

The district level must be improved. There must be a budget, material equipment, a trade company, transportation, machines, seedling station, etc.

These organizations will be the ones that directly sign two-party agreements with villages, co-ops, producers, and with each family for production (seedlings, agricultural tools, fertilizer, pesticide) and to purchase and distribute products. The task of the district /organization level/ is to move labor, materials, and equipment

for tasks that are useful for many villages and cantons, e.g., irrigation, roads, manufacturing base, and a number of tasks useful for the public. The district's task is to give brief training to village and co-op cadres, especially now when the district /organization level/ has not yet been improved, and is not yet able to directly guide the economic base. Thus, the province must make it possible for the district to carry out this task.

In order to succeed in the expectation to help economic base work to be unified, complete, and consistent with different /work organs/ and factors for business production, there is a need for each individual and group to be highly responsible for politics, and to clearly understand their own duty assigned by the party and government to be responsible for each work section /or/ locality. They must be responsible for themselves, train and use the machinery they are responsible for, and improve and train cadres on a regular basis so that they can adequately carry out all the tasks to which they have been assigned.

The most important thing is that no matter what level each cadre is at he must find every way possible to make the detailed policy of the /higher level/ and of the party committee the same level as his. This is to adopt the agreement to organize and carry out on his own level and section on the /basis of the collective policy/ of the party and government, and to put all the ability of him and his section into carrying out the collective policy.

9884

CSO: 4206/64

LAOS

## NUMBER OF TRADING CO-OPS GROWS IN VIENTIANE

Vientiane VIENTIANE MAI in Lao 28 Nov 84 pp 1, 4

[Article: "The People's Trading Co-ops Throughout Vientiane Capital Have Increased to 69 Units"]

[Text] The people's trading co-ops management office revealed on the morning of 26 November 1984 that under the guidance of the party committee, the Vientiane Capital Administrative Committee, and the mobilization of the cadres whose specialized task is trade from different sections concerned, the people in the production base have understood more about the socialist trade direction set by the party and our government. Thus, from early October 1983 to 26 October 1984 the people in different localities awakened and voluntarily set up their funds and organized the people's trade co-op units in their own villages and cantons. There are now 69 units, an increase of 33 units from that in early 1984.

The number of co-ops in the six districts are as follows: 13 in Saithani, 19 in Hatsaifong, 1 in Nasaithong, 8 in Saisettha, 4 in Sikottabong, and 5 in Sisattanak. There is a total of 301 members of the boards of directors, 168 guidance committee members, a total of 3,130 members, and 10,561 shares with a total value of 4,346,670 kip.

Now each trade co-op unit is being steadily expanded and improved in order to serve working people along the production base and especially to accelerate the people's dry season rice production in the 1984 dry season and the rice purchase and exchange with the people in this year's production season to become successful as planned in a spirit of emulation in order to implement the 5th and 6th plenums of the Party Central Committee and to score achievements for the two great historic days of Laos.

9884

CSO: 4206/55

LAOS

# VIENTIANE TRANSPORTATION CORPORATION CONFRONTS PROBLEMS

Vientiane VIENTIANE MAI in Lao 26 Nov 84 p 2

["Our Capital" Column by Chanthaphon Vannachit: "The Origin of the Vientiane Capital Transportation Corporation"]

[Text] From March 1980 to March 1981 the Vientiane trade corporation was called the public work section. The corporation was set up as a small transportation branch under the administrative section for training a number of cadres in order to set up a company according to the administrative committees of Vientiane Province and Vientiane Capital. At that time there were 2 "Yin" 130 trucks.

In March 1981 there was an order for the public work section to set up a company and bring together five additional trucks plus the two old ones which add up to seven. There were 17 comrades.

Because of its recent separation it does not yet have revolving capital, and it is being supported by Vientiane Province and Vientiane Capital bridge and road company. It operates the trucks for the bridge and road company in order to earn revolving principal. Until the end of 1981 it was being given 150,000 kip for its budget. (This was still considered administrative, but it became self-sufficient in terms of salary, labor, and various repairs.) At that time it did not [yet have fixed assets.]

From 1981 to the end of 1982 the company obtained six additional trucks. With the 7 existing ones there were now 13 trucks for trial operation to get ready for [getting] fixed assets. In April 1982 the company proposed a committee consisting of financial, bank, public work, and economic management cadres of the Vientiane Capital Administrative Committee to set up an account for the company. At that time it was taking shape, and therefore it was still para-statal.

At the end of 1982 they put 981,930.69 kip in the budget, which was a proper obligation.

Since April 1983 the committee responsible for this company has proposed that the financial section provide guidance in setting up a unified accounting

system. After carrying out the actual work the financial section proposed that the basic-level company set account balances first so that they will be able to set up a 12-figure account.

They carried out their obligation toward the government completely and handed over to the government 100 percent of their profit. In 1983 five more trucks were added. Now the company has a total of 18 transport trucks and 50 workers, and this is considered suitable for the plan.

After the primary operation they faced many difficulties, e.g., in ideology, organizing, and in the actual activities. Generally speaking, most of the cadres and workers had never done this before and did not understand this enterprise task. Thus, they had negative views and were afraid it would not be worth it. They had neither managerial experience nor revolving capital or money for basic construction. However, in 1982 they received some revolving capital provided by the higher echelons. Generally speaking, the organizing of this company was plagued by great confusion. However, the company followed the regulations of the administrative management, that is, to work as a team. When individuals had problems the team would discuss them and then distribute the work among themselves. The leader is the only one who gives orders. The mass organization becomes a force to promote effective work.

Therefore, from the day it was organized to now it has performed effectively and the operation has steadily expanded. For its immediate and long-term task the Vientiane Capital transportation corporation will continue to transport goods from districts to rural areas and from rural areas to districts. This will enable the circulation and transportation to meet the needs in material goods, usable items, and consumer products throughout according to the set plans of different regions which assign the transportation corporation to be the [transport] enterprise. On the occasion of the emulation to score achievements for the nation's two great historic days the company will determinedly focus on transportation to achieve the utmost, use transportation for the exchange tasks, e.g., rice purchasing and agricultural taxes, and transport other important goods. Therefore, we should always put all of our sweat and energy into constructing our basic work so it will steadily progress and strengthen in order to adopt an immediate plan that is efficient and strong in every way.

9884

CSO: 4206/55

LAOS

BRIEFS

GREETINGS TO VIETNAMESE EXPERTS--Vientiane, 22 Jan (KPL)--A function was organized here on 20 January to wish the Vietnamese experts working in Laos. [Sentence as received] The ceremony of well wishing was to mark the Vietnamese lunar new year. Among the Lao officials present were Maisouk Saisompheng, member of the party CC, minister of industry, handicraft and forestry, president of the Lao-Vietnam Commission for Economic, Cultural, Scientific and Technical Cooperation, and other officials. Nguyen Xuan, the Vietnamese ambassador to Laos, was also on hand. [Text] [Vientiane KPL in English 0911 GMT 22 Jan 85]

LPA ANNIVERSARY ACTIVITIES--Vientiane, 22 Jan (KPL)--On the occasion of the 36th anniversary of the Lao People's Army, senior military officials attached to the Defence Ministry, in the morning of 20 January laid a wreath at the war memorial. Attending the ceremony were Lt Gen Siphon Phalikhan, member of the party CC, deputy-minister of defence and head of the General Political Department of the LPA, Lt Gen Somsak Saisongkham, member of the General Staffs Department, and Maj Gen Osakan Thammatheva, member of the party CC, deputy-minister of defence, deputy-head of the General Political Department of the LPA, and other officers. In the morning of the same day, officials of the Lao Revolutionary Youth Union CC and military attaches of the socialist countries' embassies here presented their best wishes to the senior Lao military cadres to mark the same occasion. [Text] [Vientiane KPL in English 0908 GMT 22 Jan 85]

GDR TO TRAIN JOURNALISTS--Vientiane, 19 Jan (KPL)--An agreement on journalists cooperation between Laos and the GDR [was] signed here yesterday. Under the terms of the agreement, the GDR is to help training Lao journalists to construct a school of journalism for Laos. The agreement is in effect from 1985-1986. The signatories were, on the Lao side, Chanthon Thiangthepvongsa, vice-chairman and secretary of the Association of Lao Journalists, and, the GDR side, its ambassador to Laos, Dietrich Jarck. In attendance were Bounteng Vongsai, vice-chairman of the State Committee for News Agency, Newspaper, Radio and Television, who is also vice-president of the Association of Lao Journalists, and other officials. [Text] [Vientiane KPL in English 0902 GMT 19 Jan 85]

POLISH DELEGATION HOLDS TALKS--Vientiane, 21 Jan (OANA-KPL)--The delegations of the Lao and Polish fronts held talks here on 19 January, to exchange views on bilateral cooperation. The Lao side was headed by Boualang Boualapha, member of the party CC, head of the Mass Mobilizing Committee

and the front [committee] of the party CC, vice-president of the Lao Front for National Construction. The Polish side was led by Dr Jozef Kukulka, vice-president of the council of the Polish renaissance patriotic movement, vice-president of the leading committee of the Polish United Peasants' Party, and director of the Foreign Relations Institute of the Warsaw University. The Polish delegation arrived here on the afternoon of the same day. It was received at the airport here by Boualang Boualapha and Josef Puta, the Polish ambassador to Laos. [Text] [Vientiane KPL in English 0902 GMT 21 Jan 85]

CZECHOSLOVAK SCIENTIFIC, TECHNICAL DELEGATION--Vientiane, 16 Jan (OANA-KPL)--A 1985 project and a long-term plan of bilateral cooperation on scientific and technical sectors between the Lao PDR and the Czechoslovak Socialist Republic [CSR] yesterday were discussed here at the 2nd session of the Lao-Czechoslovak sub-commissions for scientific and technical cooperation. Taking part in the session were, on the Lao side, Bountiam Phitsamai, education minister and chairman of the Lao-Czechoslovak sub-commission for scientific and technical cooperation, and on the Czechoslovak side, Karel Lobl, minister and chairman of the Czechoslovak-Lao sub-commission for scientific and technical cooperation. Ladislav Kocis, Czechoslovak ambassador to the Lao PDR, was also present. The Czechoslovak sub-commission's delegation arrived here on 14 January. It was greeted at the airport by Bountiam Phitsamai and other officials. [Excerpts] [Vientiane KPL in English 0915 GMT 16 Jan 85]

SRV CONSULATE IN SAVANNAKHET--Vientiane, 18 Jan (KPL)--A consulate of the Socialist Republic of Vietnam was recently opened in the Lao central Savannakhet Province. The Vietnamese consulate having Le Tho as the head of the mission is responsible for the relations with the Lao central and southern provinces namely Bolikhamsai, Khammouane, Savannakhet, Saravane, Champassak, Attapeu and Se Kong. [Text] [Vientiane KPL in English 0909 GMT 18 Jan 85]

VIENTIANE POPULATION, CROP TARGETS--At the Vientiane provincial agricultural section office (in Phon Hong District) Comrade Sivilai Soulivong, a regular member of the provincial party committee and chief of the agriculture, irrigation, and agricultural co-op section committee, introduced me to the special characteristics, location, and the people's production process in this locality. Vientiane Province has a total of 8 districts and branch districts, 68 cantons, 776 villages, 41,321 families and over 248,000 people of which 15 percent are Lao Soung, 6.4 percent are Lao Kang, and the rest are Lao Loum, and 95 percent are farmers who engage in cultivation and animal husbandry. The people of all ethnic groups in Vientiane Province are located in the middle of extensive highland and paddies which become yellow when they ripen. They are striving to produce 1.3 million tons of rice in 1984. [Excerpts] [Vientiane PASASON in Lao 28 Nov 84 p 2/ 9884]



KHAMMOUANE ARMED FORCES ACHIEVEMENTS--From early January to late December 1984, officers and men attached to all combat units under the command of the Khammouane provincial military command endeavored to carry out missions to maintain public security and to consolidate the political outlook of their units. They profoundly appreciated the line and policy of the party and clearly understood all sinister schemes of the enemies. In the past year, they managed to score a number of brilliant achievements, including carrying out 892 minor and major operations, launching eight suppression drives against exiled reactionaries and bandits, dismantling a number of nests of the commando remnants, and capturing 56 firearms of various types from the enemies. [Excerpt] [Vientiane Domestic Service in Lao 0430 GMT 16 Jan 85]

STATE TRADE OUTLETS--Our Lao revolution is a part of the world proletarian revolutionary process. After the success of the national democratic revolution peace has returned. The revolution in our country has brought about a new period, a period of transformation and socialist construction in our country. Our party has been carefully focusing on the transformation and construction of production activity, leading the working people to a socialist collective lifestyle, converting to agricultural co-ops step by step, carrying out the construction of the material-technical base where many things have been newly developed, e.g., electricity, machine repairs, the coal and gypsum mining industry, food manufacturing, construction equipment industry, etc. One hundred and seventy state trade networks, over 356 trade co-ops, and over 150 base services were set up. The socialist economic sector has continuously and steadily extended its role in leading the way. [Excerpt] [Vientiane PASASON in Lao 5 Dec 84 p 3/ 9884]

VIENTIANE DISTRICT BANKING--From November 1983 to November 1984 the cadres, workers, and people throughout Sikottabong District, Vientiane Capital, actively deposited a total of 106,118 kip of their savings in the Sikottabong District branch of the State Bank. The bank also sold a total of 119,200 kip worth of savings lottery to the people and cadres around the district. [Excerpt] [Vientiane PASASON in Lao 6 Dec 84 pp 1,4/ 9884]

SARAVANE BANKING (KPL)--From early this year until now the cadres, combatants, government employees, workers, and people in Saravane Province all awakened and voluntarily deposited the money they obtained from selling produce in the provincial branch of the State Bank. Now they have deposited over 1,071,000 kip of their savings in the bank. [Excerpts] [Vientiane KHAOSAN PATHET LAO in Lao 30 Nov 84 p A4/ 9884]

IRRIGATION PROJECT (KPL)--Construction of the drainage ditch almost 6,000 meters long from Hong Seng to Route 13 south of Saithani District is now 90 percent completed. The workers of the Vientiane Capital construction company are responsible for this construction which is one task in the Wat Tai-Hong Seng water pumping station construction project. Since early 1984 it has been a primary project of the Vientiane Capital Agriculture, Irrigation, and Agricultural Co-op that has been constructed by workers of Irrigation Company No 2 of the Ministry of Construction, the Vientiane Capital Irrigation Construction Company, and the Vientiane Capital Youth Union section. The Vientiane Capital Irrigation Construction Company will feverishly complete the drainage ditch from Hong Seng to Route 13 by the end of November 1984. It is expected that in December the people in the Chanthaboury District area, Saisettha, and several localities in Saithani District, Vientiane Capital, will be able to use water in their dry-season rice-growing in a total [area] of over 1,000 hectares. [Text] [Vientiane KHAOSAN PATHET LAO in Lao 23 Nov 84 p A9] 9884

CSO: 4206/55

MALAYSIA

LIM KIT SIANG ON CAUSES OF 'ETHNIC POLARIZATION'

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 26 Nov 84 p 4

[Text] Lim Kit Siang, leader of the opposition party in Parliament, pointed out that the New Economic Party [NEP] constitutes the biggest cause of ethnic polarization.

He indicated that under the NEP every Malaysian deeply feels that the people are classified into bumiputras and non-bumiputras. This policy can only lead to a situation in which the rich become richer and the poor become poorer.

Lim Kit Siang was delivering a speech on "How to Solve Ethnic Polarization" at a seminar held in the University of Malaya's Tengku Auditorium last night. The forum was organized by the UM Commuting Students Association. The other two main speakers were Dr Tsumo and Abubakar Hamsah.

Mr Lim maintained that while Malaysians did not share a common past, they do possess a common future. On this basis, the Malaysian people should not be divided into indigenous and non-indigenous citizens, because they are all sons and daughters of the Malaysian nation.

He said that the road ahead is still far for our country to become a Malaysia for the Malaysians and that it is apparently not easy to reach the above-mentioned goal on account of rampant racism.

"The United Malays National Organization [UMNO], the Chinese Malaysian Association [MCA] and the Malaysian Indian Congress [MIC] all move along the racial line, each claiming to represent its respective nationality. The UMNO even blames Malays who join other political parties, labeling them as 'rebels of the Malay race.'"

"As a matter of fact, every time UMNO holds a congress, its leaders strengthen its concept of racial awareness and weakens the feelings of Malaysian national consciousness of the people, thereby accentuating ethnic polarization of a new peak.

"Practically every issue wears a 'race's' cap, including poverty, abuse of power and distrust.

"From this first day at school, the mind of every Malaysian is instilled with the bumiputra and non-bumiputra concept. No matter how many generations a non-indigenous person has lived in this country, he is invariably regarded as 'an outsider,' and his allegiance to Malaysia is always held suspect," Mr Lim said.

He added that this attitude of casting aspersions on other people's loyalty should be put to an end, otherwise there would be no way to cultivate the correct concept of national consciousness among the Malaysian people.

Lim Kit Siang pointed out that the causes of ethnic polarization include the following:

--The state education policy--restricting deserving youths from entering the university and looking down on mother-tongue education.

--The state culture policy--proclamation of "one language, one culture" in Parliament in December 1982 and the denigration of contributions of non-indigenous culture in the Three Principles of State Culture.

--Racial politics--following UMNO's lead, certain other political parties represent other races each.

--Break up by religion--this kind of dissension can escalate ethnic polarization and has the potential of splitting national unity.

Lim Kit Siang said that before the 1982 general elections, the term "Islamization" was rarely heard, but it has become a household word in the past year or 2, an indication that the government is ignoring the apprehension of non-indigenous society and is determined to Islamize our economic, educational and administrative institutions.

He pointed out that the government's respect and tolerance to the rights of other religions has been dwindling in the 1980's, not to be compared with the first 10 years after our national independence.

"During our early national construction period, the government helped organize various religious organization and promoted the understanding, harmony and goodwill among all religions.

"Today, it is apparently impossible for the government to agree to support dialogues between religious groups or to restructure the Consultative Board of Major Religions into a permanent organization, or to take up the responsibility of promoting the mutual respect and understanding of various religions.

"In April this year, consultative councils of Buddhist, Christian, Hindu and Sikh religions jointly organized a seminar on 'Common Religious Value Concept for National Construction,' but they failed to obtain the participation of Muslim organizations," Mr Lim revealed.

He said that Malaysia should not fall into the vicious circle of racism and religious fanaticism. He hoped that more and more Malaysians would accept the fact that Malaysia is multiracial, multilingual, multicultural and multi-religious. Although the Malaysian as a whole have no common past, they must have a common future, and on this basis, we must stop classifying Malaysians as bumiputra and non-bumiputra. All of us are sons and daughters of this nation.

Mr Lim believes that our country should draw up an equal economic and social system, so that the destitute, the little man and the laggard, irrespective of race, can receive help.

"The road to solution is simple, but the simplest method of solution is often the most difficult to attain. And, first and foremost, more and more Malaysians ought to understand the seriousness of racism and religious fanaticism, which is threatening our national unity.

"Let us all sit down to study and learn this problem with an open mind, suggest ways of solution and put them into practice in various fields of government," Lim Kit Siang concluded.

9300

CSO. 4205/11

MALAYSIA

# SOLUTION TO INDONESIAN ILLEGAL IMMIGRANT PROBLEM URGED

## Lim Kit Siang's Remarks

Selangor KIN KWOK DAILY NEWS 27 Nov 84 p 12

[Text] Lim Kit Siang, secretary general of the Democratic Action Party [DAP], called on the government to form a special task force to solve the serious problem of Indonesian illegal immigrants and to give compensations to the families of persons killed by the illegals.

This remark was made by Mr Lim while taking part in the parliamentary deliberations on the 1985 budget of the Ministry of Home Affairs today.

Yesterday he attended a public meeting organized by inhabitants of Batu Pahat who were protesting against criminal acts of Indonesian illegal immigrants which have endangered public law and order, as well as the lives and property of the people.

On 18 October a rubber plantation laborer in Batu Pahat was murdered by an Indonesian illegal immigrant, and his family received no compensation. Mr Lim urged the authorities concerned to pay attention to this cause for the sake of the livelihood of the victim's family.

Lim Kit Siang also criticized the police for failing to take a vigorous attitude in handling the homicide case, adding that if such things are permitted to go on, Malaysia can sink to become a paradise for criminals.

Lee Lam Thye, MP, yesterday pointed out that the problem of Indonesian illegal immigrants has reached a dangerous stage, enough to cause a threat to our national security.

He called on the government to face the problem squarely and take severe, effective measures; otherwise, if the situation gets out of control, it will cause a national disaster which would be beyond redemption.

Mr Lee was commenting on the recent police mopping-up operations to round up the Indonesian illegal immigrants who have been on the rampage.

Mr Lee praised the series of mopping-up operations launched by the police, and hoped that the police in other regions would relentlessly carry out similar preventive action.

He also fervently called on the Ministry of Home Affairs to investigate whether there is a syndicate specializing in the systematic importation of Indonesian illegal immigrants and the provision of "red I.D. cards" for them.

"As the matter relates to national security and public law and order, it is incumbent upon the government to solve this problem speedily in order to restore public confidence in the government," Mr Lee concluded.

#### Steps Against Illegals Described

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 27 Nov 84 p 18

[Text] Minister Datuk Paul Leong Khee Seong, deputy chairman of the Malaysian People's Movement [GERAKAN], indicated that the government is paying attention to the criminal acts of Indonesian illegal immigrants in our country and that the police have taken measures to deal with them.

Datuk Paul Leong told our reporter: "The Selangor chief of police announced 2 days ago that between 200 and 300 Indonesian illegal immigrants have been deported in an effort to reduce our crime rate."

Datuk Paul Leong pointed out that last year Deputy Prime Minister Datuk Musa Hitam visited Medan, Indonesia to sign an agreement with the Indonesian authorities on the recruitment of Indonesian laborers for Malaysia. This was an indication that at the time we already paid attention to the problem of social crimes caused by the influx of illegals.

He said: "The labor recruitment contract stipulates that the Indonesian laborers are to remain in our country for 2 years, thereafter they must be repatriated. They will have no opportunity to apply for the right to Malaysian citizenship. Furthermore, our government will know the whereabouts of their work location during their stay here."

Datuk Paul Leong disclosed that the robberies and killings committed by Indonesian illegal immigrants have disturbed our social stability. Not only Chinese have been victimized. In Kuala Lumpur some Malay homes have been burglarized.

He held that crimes committed by Indonesian illegal immigrants constitute a problem for the Malaysians as a whole. But he would not comment when asked whether he agrees to Lim Kit Siang's suggestion that all Chinese political parties, including the MCA and GERAKAN, stage a joint protest action against the crimes committed by Indonesian illegal immigrants.

9300

CSO: 4205/11

MALAYSIA

KENG YAIK ADVISES YEE PAN NOT TO 'FISH IN TROUBLED WATERS'

Dr Lim's Remarks

Selangor KIN KWOK DAILY NEWS in Chinese 16 Nov 84 p 2

[Text] Dr Lim Keng Yaik, president of the Gerakan Rakyat Malaysia (GERAKAN) [Malaysian People's Movement], today strongly dissuaded Datuk Neo Yee Pan, acting president of the Malaysian Chinese Association [MCA] from fishing in troubled waters and plotting to entice GERAKAN's members in order to seek political advantage and get the upper hand in the MCA infighting.

At the same time, Dr Lim advised Datuk Neo to spend more time and energy in handling his adversity in his own party, instead of utilizing the GERAKAN party to divert MCA members' attention from the factional fight.

He said that for the sake of the National Front's stability, he has never meddled in the protracted partisan war within the MCA or tried to fish for political capital out of it. He added that if Datuk Neo still insists on roping in GERAKAN members, he will pay him back in his own coin.

Dr Lim made these remarks at a press conference outside of Ipoh State Assembly building today.

He said that after his party held its democratic-style election on 30 September, some of the members were still in an excited mood, and it was then that MCA's acting president availed himself of the opportunity to fish in troubled waters.

He added that to calm down GERAKAN party members' worries over the status of Datuk Michael Chen Wing Sum, he has decided to make public Michael Chen's letter addressed to GERAKAN headquarters on the question of whether he remains in the party or will rejoin the MCA.

According to Dr Lim, in the last paragraph of his letter, Michael Chen indicated that "I hereby reaffirm my loyalty and promise to the GERAKAN, in or outside of the party, as I have shown since 1981."

Dr Lim continued that this statement by Michael Chen shows that he has chosen GERAKAN and repudiated MCA. "I don't understand what more Datuk Neo Yee Pan wants," he said.



He pointed out that "at present I am gathering information about the question of our members jumping over to the other side; I understand that some members in Perak, Kedah, Kelantan and Malacca are separately launching a movement urging others to quit the party, and we know who the instigators are."

However, he indicated, the GERAKAN headquarters have not received any report on membership withdrawal up to now. An official letter will be addressed to those members who launched the withdrawal movement to ask for an explanation.

Dr Lim said that the party's reply to Michael Chen's letter will be handled by a committee of three comprising Kuok Soo Chen, Datuk Hiu Kee Poh and Wee Cheng Huat. After the committee has completed its report, a Central Committee meeting will be convened to discuss this matter.

Dr Lim appealed to all GERAKAN members to remain calm. At the same time, he expressed hope that they would refrain from publishing their opinions in the papers concerning the party's appointment of two vice presidents.

He firmly believed that the Central Working Committee will be able to resolve the case of Datuk Michael Chen Wing Sum in the interests of the party.

On the other hand, he said, he is maintaining close contact with the party's regional chairmen in various states with the view to getting more information about members who promoted the membership withdrawal action. He will report his findings to the GERAKAN's Central Working Committee in due course.

Dr Lim stressed that the GERAKAN is a democratic and mature political party which is capable of handling and solving the above-mentioned problems.

#### MCA Rebuttal

Selangor KIN KWOK DAILY NEWS in Chinese 17 Nov 84 p 2

[Text] Ms Lim Heang Lian, organization secretary and deputy secretary general of the Malaysian Chinese Association [MCA], today disclosed that she has received 5,000 applications to file for MCA membership, mainly from members of the Malaysian People's Movement [GERAKAN] residing in Perak, Kedah, Kelantan and Negeri Sembilan.

Ms Lim, who is also a member of the Senate, made these remarks to reporters at her office this morning. She said that as an open political party, MCA absolutely will not fish for troubled waters at others' expense and will welcome Chinese who share common political struggles and ideals as the MCA to join the party.

"Any persons trying to hinder our actions are to be regarded as saboteurs of Chinese greater unity," she said.

Senator Lim Heang Lian said: "Ethnic-Chinese citizens of this nation clearly understand that in order to safeguard their interests on a long term basis,

their political strength must be placed under one common banner. MCA's open-door policy coincides with this political trend, and this party welcomes all Chinese sharing the same political ideals to join the organization. If all Chinese are willing to rally around the call of MCA's political united front, this will serve as proof that their political awareness has jumped one step forward."

She continued: "The trend of the times has prompted those many GERAKAN members to apply for MCA membership. We are positively not seeking political gain at the expense of other people. If Datuk Dr Lim Yaik feels dissatisfied or infuriated, he should first of all make a self-examination, instead of placing the blame on to MCA.

"The reason GERAKAN members are dissatisfied with Dr Lim is because Dr Lim can only grab political capital by hiding under the sarong of the Malays. He has never dared to express his opinions openly on matters affecting the immediate or vital interests of the Chinese people. By way of example, he never uttered a single word concerning the symbolic deprivation of Chinese rights of the Sau Poh Hill Incident.

"We can never forget that it was on the strength of Chinese support that Dr Lim rose to power. Yet, we have discovered that he is ungrateful to Chinese teachers, otherwise, he would be giving support to the one-man battle of the respected Chinese education fighter Mr Loke Ting Geok.

"Members of the GERAKAN party have had enough of Dr Lim's style of 'saying one thing but doing another.' Dr Lim claims himself to be a most democratic leader, but they can see through how he deals with his challengers. 'A great person should be magnanimous,' so goes a Chinese saying. Not only did Dr Lim fail to keep his pre-election promise, but contrariwise cast doubt on Michael Chen Wing Sum's loyalty and demanded the latter to make a formal statement before GERAKAN's Central Committee concerning his allegiance to the party. Furthermore, Dr Lim's 180-degree-turn attitude toward newspaper reporters before and after the election clearly explains what manner of man Dr Lim is."

Senator Lim Heang Lian persuaded Dr Lim Keng Yaik to stop censuring the MCA forthwith. If Dr Lim is courageous enough to admit the lurking dangers of GERAKAN's multiracial line, he should disband his party immediately and discontinue misleading Chinese society, otherwise he would be charged the guilty person for obstructing the Chinese greater unity.

9300

CSO: 4205/11

MALAYSIA

# OPENING UP OF 'CHINA MARKET' URGED

Selangor KIN KWOK DAILY NEWS in Chinese 3 Dec 84 p 2

[Editorial: "We Should Develop Trade Market in China"]

[Text] Our government often talks glibly about improving our trade relations with China, particularly about narrowing our unfavorable balance of trade. As a matter of fact, this is economic trade, the most correct policy for the marketing promotion of our national products abroad. However, in spite of government directive and encouragement, the administrators often do the opposite, which makes us doubt unavoidably that the government seems to be saying one thing and meaning another.

Take the annual Spring and Fall China Trade Fairs, for example. This year the government has changed its strategy, altogether quite different from the past. Negotiations have been held between a Chamber of Commerce delegation and the authorities for attending the fairs, but, according to Neighborhood Elections Commission Chairman Samsuddin's explanation, the government was against the proposal. The reason was that participation in the China Trade Fairs in the past did not bring commensurate benefits. So, the government has now revised its pattern by encouraging a small trade delegation, comprising less than 15 members, to attend the trade fairs and to hold direct trade talks with the Chinese authorities concerned.

Is this a good way to do business or not? This point is open to question. According to an analysis by Goh Kwok Kee, commercial vice chairman of the Chamber of Commerce, the Spring and Fall Trade Fairs may be likened to our three regular meals, while a small trade delegation to our snacks. Now if we combined the meals and the snacks, that would be perfect. But it will not do to eat snacks as substitute of the full meals. This figure of speech is rather appropriate.

In reality, our commercial agents here deal in numerous categories of [Chinese] products, and it is simply impossible for a 15-member delegation to complete transactions for these commodities by merely making one visit to a Chinese port or main office. All the more so because of lack of time and energy, as well as offhand unfamiliarity with the quality and price of numerous categories of commodities.

Therefore, the government's new way of doing things needs a reconsideration to coincide with the wishes of our commercial agents throughout the country.

On the other hand, while our trade delegations are sent out to buy commodities, it is indeed their duty to promote our national products in foreign markets, too. This way we can market our finished products in China and get foreign exchange for our national treasury in return. Therefore, the more people to market our products abroad, the better results we will get.

The government has often blamed Western industrialized countries for imposing a protectionist system and refusing or reluctantly buying our manufactured goods. As regards our primary products, these foreign countries always try to suppress their prices in order to hurt the economy of developing countries. Inasmuch as we understand their trade policy, why don't we strike out a new path? Why should we abandon the existing huge market and continue to beg before those selfish advanced countries?

We maintain that in the matter of purely trade relations, it is not necessary for us to wear colored spectacles or adopt a prejudicial attitude in handling international trade problems, especially such a little, developing country like us. If we do not grab the opportunity for expanding our markets, we ourselves will lose at the end.

China is adopting an open and flexible trade policy to realize her four modernizations. She is sparing no effort in discarding her isolationism and in establishing relations with countries of different political systems, so we must make good use of this opportunity by marketing our products and manufactured commodities in the Chinese market. China has a vast territory and a huge population, so the potential market volume cannot be counted. Just one successful deal for one product is worth more than the total transactions in several Western countries. Why don't we make a vigorous try at this huge potential market?

Consequently, in drawing its trade policy, the government should make a re-examination by revising its guiding principle, particularly with regard to trade with China.

9300

CSO: 4205/11

NEW ZEALAND

NATION POSTS WORST DEFICIT--\$945 MILLION

Auckland THE NEW ZEALAND HERALD in English 24 Dec 84 p 4

[Text] NZPA Wellington--New Zealand has just posted its worst quarterly balance of payments deficit.

Transactions with other countries during the three months to September 30 resulted in a current account deficit of \$945 million, according to provisional statistics released by the Statistics Department.

It beat the previous highest quarterly deficit--that for the December 1983 quarter--by \$86 million.

The latest figure compares with a deficit of \$605 million for the September 1983 quarter and deficits of \$859 million, \$1 million and \$507 million for the December 1983, March 1984 and June 1984 quarters.

Trade Worsens

The balance on current account for the year ended September 1984 was a deficit of \$2312 million and compares with a deficit of \$1314 million for the year ended September 1983. The deficits for the years ended December 1983, March 1984, and June 1984 were \$1773 million, \$1614 million, and \$1972 million, respectively.

Of the \$340 million deterioration in the deficit balance on current account for this latest quarter compared with the September quarter last year, \$262 million can be attributed to the deterioration in the balance on merchandise trade.

This is estimated to be a deficit of \$306 million in the September 1984 quarter, whereas there was a deficit of \$44 million in the corresponding quarter last year.

Oil Rig

Goods worth \$2633 million (valued fob) were exported during the September quarter this year. This was \$518 million, or 24 per cent, higher than in the September quarter last year.

However, the value of goods imported was \$2939 million (valued fob in exporting countries) which was \$779 million, or 36 per cent, higher than in the corresponding quarter of 1983.

The exports value for the latest quarter includes \$189 million as the value of one chartered oil rig and its supporting vessels which left New Zealand during the quarter.

According to International Monetary Fund statistical concepts for balance of payments statistics, these departures are recorded as exports. There were no similar movements a year earlier.

Compensatory financing borrowings (official borrowing undertaken to maintain foreign exchange reserves) amounted to \$1418 million in the quarter, compared with \$469 million for the September quarter last year. Total repayments amounted to \$948 million, compared with \$171 million in the corresponding period last year.

CSO: 4200/446

NEW ZEALAND

EDITORIAL ON IRONIC DIFFERENCE IN LABOR, NATIONAL POLICIES

Auckland THE NEW ZEALAND HERALD in English 24 Dec 84 p 6

[Editorial]

[Text] Once again politics seems to have been stood on its head by the new Labour Government. Traditionally the party of regimentation and controls, Labour has--as it did in July with the ending of interest controls--taken over the freedom stance that National once proudly displayed. The Government has drastically eased controls on overseas exchange.

There could be few more ironic events than this restoration by a Labour Government of a long-lost freedom. For it was the reckless expansion of the first Labour Government after 1935 that gave New Zealanders a purchasing power which the overseas reserves could not sustain.

By early December 1938, with the October elections safely over, Labour clamped import licensing on an incredulous country and suspended the Reserve Bank's obligation to give sterling in exchange for its banknotes. Ever since, the freedom of New Zealanders to take or send money overseas has been hobbled to varying degrees.

The changed regulations will have to be studied for details, but the available reports seem to suggest that New Zealanders may now remit money overseas with something akin to the freedom of 46 years ago. Travellers, it is reported, may take as much as they wish. Investors will be free to place money where they wish (presumably this spells the end of the Mickey Mouse system of dealing in Australian shares introduced 18 years ago). Even holiday homes may be bought abroad. It seems something like a miracle.

But perhaps not quite. For while physical shackles may be removed, a strong and real constraint remains when buying foreign funds with New Zealand's depreciated dollar. The main reasons for the recent enormous inflows of overseas money are the big devaluation of July, the improbability of an early repeat, and the high interest rates available here. The same factors could work to keep New Zealand money at home.

The Government is evidently gambling on such factors combined with the high price of foreign currency--more than \$2 for one American dollar--to avoid

disruptive outflows occasioned by New Zealanders. But it may find itself locked into high interest rates if it hopes to avoid losing the hot money that has recently flowed in.

Freedom has risks, and there will be more risks if the Government intends to enlarge on its new move and float the currency. But freedom is generally to be welcomed even so, and New Zealanders can only hope that their restored economic freedom proves sustainable. Mr Douglas and the Government deserve full credit for the attempt.

CSO: 4200/446



NEW ZEALAND

LANGE 'DETERMINED' TO HOLD ECONOMIC COURSE

Auckland THE NEW ZEALAND HERALD in English 26 Dec 84 p 1

[Text] The Prime Minister, Mr Lange, is determined not to let criticism and debate inside and outside the Labour Party push the Government off its radical economic course.

Mr Lange says the Government's policies hurt now, and the medicine will not start to taste better for several years.

The budget had generated a lot of heat, but he hoped that Labour would be seen as a party which had not simply got into Government to hold office with popular policies.

"This is a party which has been denied the chance to do something for New Zealand for a long time. We have policies which mean we are going to stop borrowing our way into endless self-deception, and we are going to make the changes to make this country self-reliant.

"Some people who have been able to bask in the cotton wool of the previous Government's policies are going to squirm, but that is what being Government is about."

In a wide-ranging interview on the Government's performance and intentions, Mr Lange said he expected the debate within the Labour Party on his administration's policies would be restrained.

He made it clear he did not see any change of Labour's traditional objectives of social equality.

It was only the means to the objectives which had changed, with the Government moving away from state control to a fostering of the private sector.

The party is expected to debate the new economic direction during its round of regional conferences early next year.

"It is important to remember that we don't really have a debate about objectives," said Mr Lange.

"We have a very firm view what the objectives are, and we have always held them. The means to that end is now what is exciting a divergence of opinion within the party."

Mr Lange said the debate was not driving party members into revolt, and it should and would be conducted in a restrained and analytical way.

He said the Government's honeymoon with the electorate ended long ago, probably when Parliament resumed in August, and certainly after a revival of the honeymoon during the economic summit conference.

Mr Lange said the chain of events since the snap election had meant the Government had not been able to explain fully everything it had done, but, with the pace now slowing, that would change.

"I have never been much of a political groper, and the difficulty is that some people are going to feel a bit alienated for a while, but they will be stroked in due course."

Mr Lange said the Government, on winning office, had decided to take a series of plunges, which had been done.

"We have to talk to people now about the opportunities which change presents, rather than the limitations of them."

There was a gospel to be proclaimed about technology in New Zealand to stop people being petrified about excellence or high quality production.

"We have to stop down-playing ourselves, get over the hangup of being what the McKenzies shops used to be like and move right into the sort of almost nouveau riche markets in other parts of the world. That is what the Government has got to do."

The state had to stop paying people to do the wrong things and must target help to the traditional Labour areas of health, social welfare, housing and education, not funding electricity for aluminium smelters.

CSO: 4200/446

NEW ZEALAND

LANGE, OPPOSITION LEADER INTERVIEWED ON POLITICS, ISSUES

PM on Vulnerability, Public Support

Auckland THE NEW ZEALAND HERALD in English 26 Dec 84 p 3

[Text] National superannuation is the Government's most vulnerable point, says the Prime Minister, Mr Lange.

Mr Lange says the Opposition could have "done" his Administration several times since the snap election in July, but had not.

The fledgling Labour Government had been blessed by the Opposition's internal wrangles and its seeming total failure to capitalise where Labour was most vulnerable.

Mr Lange identified the budget surtax on the national superannuation of higher income earners as Labour's weakest point.

When the Government was at its most vulnerable, the Opposition had thrown lifelines by its failure to state a definite policy of its own.

Not as Many

"National super, cunningly exploited by an Opposition, could be dangerous. Properly handled by a Government it will be understood. We are now developing a better understanding of it, and the end of civilisation as we know it hasn't happened."

Asked to list the successes and failures of his Government's first five hectic months, Mr Lange said there had not been as many debits as there should have been.

"I am still suprised, given the pace of developments, that something didn't go wildly apart. The vehicle was going so fast that a wheel could have flown off."

Although obvious successes were Labour's winning election strategy, its handling of the devaluation crisis, and the economic summit conference, one success not written as such was the move from a totally regulated economy to free wage bargaining.

"We spent hours and days and nights of negotiating and we did not take the easy option. We did not regulate, we did not legislate. It would have been far easier to have reached for a pen than a telephone, which would have let a lot of people off the hook."

#### Clearly Ahead

The Anzus agreement, which the Government is committed to retaining, remains in doubt because of American reaction to Labour's ban on the visits of nuclear warships.

But Mr Lange sees public support (as evidenced by polls) for banning nuclear-armed vessels while wanting continued membership of Anzus, as putting the Government clearly ahead.

"The public of New Zealand do not see our nuclear policy as being inconsistent with our Anzus policy."

The budget change to national superannuation had been thought out beforehand, but it had not been perfected. The review would fix anomalies.

Mr Lange said the cabinet was working well, hard and independently, with him working as chairman, as he had wished.

He praised the "troika" of the Minister of Finance, Mr Douglas, the Minister of Trade and Industry, Mr Caygill, and the Minister of Transport, Mr Prebble, and particularly singled out Mrs Hercus, with her responsibilities of police, social welfare and women's affairs.

#### McLay on National Party Recovery

Auckland THE NEW ZEALAND HERALD in English 26 Dec 84 p 3

[Text]

Only five months since the National Party was dumped from office, the Leader of the Opposition, Mr McLay, declares himself well pleased with the party's position at year's end.

Pointing to opinion polls showing Labour and National not far apart in public support, Mr McLay says the Opposition has come in less than six months to where it took two years to reach after the Kirk landslide of 1972.

"Anyone who had suggested in July that we would have been in this position

by the end of this year would simply not have been believed.

"We should not assume we will automatically win the next election, but I cannot recall a situation where a Government, five months after an election, has shed so much support."

#### 'High Tech'

Brave words and political bravado to cheer a crushed party whose middle ground has been stolen? Or can the "new look" McLay National Party capitalise on disaffection with Labour's apparent move to the pragmatic right?

In an interview before he

flew to Hawaii to spend Christmas with his parents-in-law, Mr McLay made much of "buzzing the public with the new look" and foreshadowed a "high tech" party organisation to combat a Government which, he said, had thrashed National organisationally.

Early next year he will announce a new front bench and allocate new "shadow portfolios" to National's parliamentary team of 37.

#### Unguided Missile

Of the new line-up, all he will say is that he will not take the justice role he has held since becoming a minister in 1979, and that Sir Robert Muldoon, the deposed leader, will not be the finance spokesman.

Mr McLay rejected any suggestion of Sir Robert's being some kind of unguided missile on the Opposition back bench.

"Sir Robert has worked for the National Party for more than 30 years and it is inconceivable he would do anything to harm it. I will not try to gag any member of the caucus. I will talk to Rob early in the new year, and I hope he will take on a spokesman responsibility."

The party president, Mrs

Sue Wood, is overseeing an organisational review committee which is charged with reporting by April on how to rebuild the ailing National machine.

A strong switch to computers was likely to be one outcome, said Mr McLay.

"All the other parties beat us on computer technology," he said.

#### Reluctant

Mr McLay made it plain that the Opposition will concentrate its attack on Government moves which arouse public annoyance, even if those moves could be seen as traditionally "free market" or "less bureaucracy" ones, such as the surtax on national superannuation.

Despite the Opposition's constant attacks on the budget's superannuation tax surcharge for those on higher extra incomes, Mr McLay remains coy about whether National will promise to repeal it.

He explains that reluctance by pointing to Labour's commitment to review anomalies in the surtax, saying it would be wrong to respond in detail until the Government finished the review.

NEW ZEALAND

EDITORIAL ON WASHINGTON, WELLINGTON INTRACTABLE ANZUS STANCE

Auckland THE NEW ZEALAND HERALD in English 26 Dec 84 p 6

[Editorial]

[Text] The Anzus dilemma becomes no easier to resolve in the wake of a New Zealand Herald-National Research Bureau survey suggesting that New Zealanders overwhelmingly want their country to remain a member of the military alliance. As recently as August another Herald-NRB poll found that New Zealanders emphatically support visits by nuclear-powered warships, provided they are not nuclear-armed.

Mr Lange thus finds that he has sold his policies so effectively (or perhaps has tuned in so exactly to the public wavelength) that he seems virtually locked on a collision course with the other Anzus members. For the country wants what the Government wants, and that is quite different from what the United States and Australia want.

At least it seems clear that the strident anti-Americanism which is part and parcel of sections of the anti-nuclear movement is not shared by the country at large. Sixty per cent, according to the sample in the poll, want to remain in military alliance with the United States and only 22 per cent do not. Fifty-nine per cent want nuclear-powered but not nuclear-armed warships to visit New Zealand, and 29 per cent do not. The message seems to be: Americans, yes; nuclear arms, no.

Is this realistic? Mr Lange seems to think so, and the country evidently backs him. The Americans, on the other hand, want to send their ships here and decline to say whether they carry nuclear arms. They seem to imply that any barrier to visits by their ships could mean a collapse or abandonment of Anzus.

If that happened, according to the New Zealand Ministry of Defence, any impairment of co-operation with the Anzus allies could affect the flow of defence intelligence to New Zealand and also could affect the favourable terms on which New Zealand obtains military equipment from the United States. There are also suggestions that New Zealand's trade with the United States could be harmed--not through retaliation or embargoes but because the Administration might simply cease being helpful to a country that was not prepared to be helpful in return.

At the moment, little room for compromise is evident unless one side or the other offers a marked change in position. The strength of New Zealanders' attitudes may make it all the harder for Wellington to yield. At the same time, Washington's need for defence credibility may make an American change of stance at least as difficult. Where do we go from here?

CSO: 4200/446

NEW ZEALAND

FEBRUARY TALKS MAY DECIDE FUTURE OF UNIONISM

Auckland THE NEW ZEALAND HERALD in English 27 Dec 84 p 2

[Text] A conference in Wellington in February may have a significant bearing on the future course of trade unionism in New Zealand and lead to the end of the Federation of Labour and the Combined State Unions.

All unions have been invited to discuss a proposal to establish a New Zealand Council of Trade Unions.

If the idea is approved, FOL affiliates, the CSU and unions not affiliated to either of those groups will be drawn into one organisation.

The proposal has been discussed by a combined union working party for about two years, but the Wellington conference--on February 18 and 19--is the most positive step yet to the formation of such a council.

Indeed, organisers believe it may make or break the idea.

The secretary to the working party, Mr Colin Clark, says one of the reasons for holding the conference is to try to gauge how much support exists for the concept.

"All unions in New Zealand have been invited and if all come it will be a unique event," he said. "But if a lot stay away, then it will be clear there is not a lot of interest."

Support

The conference would also attempt to get agreement on a draft constitution. If that was achieved, it would become the basis upon which individual unions would be asked to make decisions.

Unions had been giving the idea much more thought in recent months but it was difficult to assess the actual degree of support.

"There is strong support among the sector unions but a bit more caution among state and non-affiliated unions," he said. "Some of the opposition we get is based on a misunderstanding of each other's position."



"Some white-collar unions are apprehensive at joining in with groups they consider to be militant.

"On the other hand, some of the more militant people worry that their fighting spirit will be diluted by having white-collar people.

"But it has to be seen as something that is very much needed. There is no doubt the union movement could be more effective and less fragmented under one organisation.

"There has been a lot more co-operation in recent years between the FOL and CSU, but there are draw-backs in those groups having to find a common view on things."

#### Interest

The new wage-fixing legislation--which required tripartite talks before each bargaining round--had led to greater interest in the idea.

"At present the unions go along to those talks with two organisations, the FOL and CSU," Mr Clarke said. "And outside of that there is a quite significant number not represented at all.

"It is a new development which emphasises the need for one organisation."

CSO: 4200/446

NEW ZEALAND

BRIEFS

FOL LEADER IN USSR--The Federation of Labour secretary, Mr Ken Douglas, is expected back from the Soviet Union in the middle of January. The FoL says Mr Douglas is on a well-earned holiday. He apparently represented the FoL at a trade convention in India on the way. However, the "Post" believes he may have received medical treatment while in the USSR. The FoL originally expected him back before Christmas, and back at work later in January, but he is still away. However, FoL executive member Mr Bill Anderson said today that there was nothing seriously wrong with Mr Douglas and it was unlikely that he had delayed his return to New Zealand for medical reasons. "If he had an operation, it's only a minor one. He'll be back in his own buoyant way." [By Penny Harding] [Text] [Wellington THE EVENING POST in English 27 Dec 84 p 1]

UNIONISTS' VIEWS ON PRC TRIP--Hong Kong--Union representatives on the China trade mission led by the Minister of Overseas Trade and Marketing, Mr Mike Moore, have said they now better understood the problems facing businessmen in such markets. "I think this trip has brought the trade union movement closer to the business community," Mr Wes Cameron of the Meat Workers' Union told businessmen at a banquet in Shenzhen. He and Mr Garth Fraser of the United Food and Chemical Workers' Union, have travelled with the party of businessmen, bankers, officials and reporters during the eight day mission to Peking, Shanghai, Guangzhou and the Shenzhen special economic zone. Speaking on behalf of both unionists at the banquet, Mr Cameron thanked the Minister for the invitation to join the mission and praised the productive effect of bringing workers' representatives and businessmen together in such a way. "I believe the association we have had with you will stand us in good stead as we try to deal with New Zealand's economic problems," said Mr Cameron. "I may be called a collaborator for saying it, but I understand a lot better the problems you have to face," His comments were later endorsed by Mr Fraser. Mr Moore told NZPA the mission had taken a step further toward the "New Zealand co-operative" approach he had developed during his trade mission to Japan earlier this year. [By David Porter] [Text] [Christchurch THE PRESS in English 24 Dec 84 p 4]

CHURCH NUC STANCE--Wellington--Wellington's St Peter's Anglican church was declared nuclear free at a special service yesterday. In a second peace initiative the church announced a new twin-parish relationship with the Russian church of St Vladimir's in Leningrad, after a visit to St Vladimir's in August by a parishioner, Mrs Jackie Randerson. Regular communications between the

clergy and people of the two parishes will be maintained and mutual prayers offered for world peace, said St Peter's vicar, the Rev. Richard Randerson. The two parishes believe such a joint initiative by Christians of different religions and political traditions could make an important grass-roots contribution to international understanding, he said. The decision to make the church nuclear free followed a special meeting of parishioners in September. Mr Randerson said it was particularly significant that the parish should take these steps on the eve of Christmas. [Text] [Christchurch THE PRESS in English 24 Dec 84 p 7]

CSO: 4200/446

THAILAND

DEFENSE SPENDING BLAMED FOR EXTERNAL DEBT

Bangkok MATICHON in Thai 30 Nov 84 p 4

/Editorial: "Plans to Increase Debt for 1985"

/Text/ Even with the amount of the public external debt at the end of February 1984 reaching 160,930.8 billion baht and the trade imbalance for 1984 estimated at no less than 70-80,000 million baht, because of the state of the budget imbalance and development plans in various sectors, particularly the expansion and reforms of certain government enterprises, the government needs to make a request to increase the debt again in 1985 by about 43,000.2 million baht, which increases the external public debt to no less than 200,000 billion baht.

News reports from the Ministry of Finance reveal that 30 percent of this new sum in loans will be used for development in the government sector, and the remaining 70 percent for expenses in government enterprises. Of these targets, an important portion will go to creating conditions that further the debt in government enterprises.

Reports from the Office of the National Economic and Social Development Commission last January 1984, claim that 60 percent of the National external public debt at that time belonged to government enterprises that the government did not adequately secure. Another 15 billion baht of the internal public debt of government enterprises also had to be secured by the government.

The creation of the external public debt for 1985 will have immediate effects on budget expenditures in future years in terms of the portion allotted for paying off the debt, which has increased from 930 million baht in 1961 to 44.4 billion baht in 1985, which also affects the portion of total expenditures budgeted to clear the debt. This has increased from only 5.2 percent in budget year 1966 to 20.8 percent in budget year 1985. If compared with the universal loan ceiling standard and that of the Thai Government system, it can be considered something to worry about, though not yet at the limit.

When conditions of trade imbalance or disadvantageous imbalance of payments occur, we usually look at figures for imports that exceed exports. If the fault is not with merchants importing, it is usually

with people who exhibit lack of restraint. But few people see that the important point of decline is in the creation of the debt in excessive government spending, and few people call for the government to consider economizing.

Actually, the continuing economic decline is not just a result of world economic conditions or economic anarchy in the nation. An important point is the creation of an endless government debt and the allowing of certain units (such as the Ministry of Defense) to expand without considering the entire economic situation of the nation. If we do not look at this question responsibly, it will be difficult to solve the problem, even if we devalue the baht another hundred times.

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CSO: 4207/86

THAILAND

EDITORIAL SEEKS U.S. INVOLVEMENT IN CAMBODIA

BK171717 Bangkok THAI RAT in Thai 14 Jan 85 p 3

[Editorial: "The Racial Extermination Plan Against Cambodia"]

[Text] The Ampil encampment, the last surviving stronghold of the internationally-recognized tripartite Coalition Government of Democratic Kampuchea, has now fallen into the hands of the heavily-armed troops of Vietnam and the Heng Samrin regime. The three Cambodian resistance factions have reportedly changed their strategy by using Phnom Penh as the base of their struggle. Whether they will succeed or not remains to be seen. Up to the present moment, it is quite obvious that no major power in the free world or any international organization is capable of intervening in that country.

The problem is that the entire Cambodian race may be exterminated by foreign countries possessing superior military might. The Soviet Union has openly provided both money and weapons for Vietnam and has even built military bases in that country.

The cry for help from the Cambodian race is too weak to be heard. Vietnam, with its superior strength, marched into Cambodia and turned a deaf ear to the prevailing famine and hardship of the owners of the country, the Cambodian people. Worse still, Vietnamese troops shelled the encampments of unarmed Cambodian civilians--including women, children, and the aged--according to the daily reports. A war of racial extermination is being waged inside Cambodia.

The Vietnamese and Heng Samrin side has attempted to get rid of the Cambodian civilians living at the Ampil encampment to strengthen the position of the Vietnamese-backed regime and eventually to deploy its troops along the border with Thailand in pursuit of Vietnam's ambition to set up an Indochina Federation.

The genocidal plan of the Vietnamese-backed Heng Samrin regime has not been exposed to the eyes of the people of the world. It was designed to exterminate the Cambodian race. It pays no attention to protests from foreign countries and major powers like the United States, which detest the use of force against small nations.

If the three Cambodian resistance factions are wiped out in Cambodia, the situation in Indochina will change. The whole region will face a threat of aggression. The situation will be much more violent.

If the United States, its allies, and the ASEAN states are really determined, as they always claim, to strive jointly for independence and freedom for Cambodia and to turn this region into a zone of genuine neutrality and peace, they must not hesitate to adopt and implement any policy, even if it means having recourse to force, to achieve the targets.

CSO: 4207/114

THAILAND

PAPER NOTES CONTINUED DETENTION OF DISSIDENTS; SULAK CASE

Bangkok MATUPHUM in Thai 1 Dec 84 p 4

/Editorial: "Withdrawing the Sulak Case: Daring Worthy of Praise"

/Text/ Finally the military court has withdrawn the charges against Mr Sulak Siwarak and his group for lese majeste as alleged by Mr Direk Suntharaket, the public prosecutor, on the afternoon of 30 November 1984.

The case of Mr Sulak Siwarak received the attention of many people as seen by the large crowds of people, monks, students, teachers, and representatives of international organizations, who waited to hear all the legal deliberations, not leaving even when the deliberations were secret and not revealed to the interested people who came to listen, as they are in other cases.

The many telegrams from foreign human rights organizations to the Ministry of Foreign Affairs and General Prem Tinsulanon, the prime minister, unanimously asked that Mr Sulak receive justice from the government because his case consisted of proper actions on his part, and he is not a man deserving of such severe accusations by the government. Rather, he should be praised not only for being a Buddhist philosopher who reflects the good in Thai society, but also for reason of loyalty to the throne.

Before the withdrawal of the charges of the public prosecutor, there were reports in certain newspapers that General Prem Tinsulanon, the prime minister, asked Mr Suchin Timsuwan, director of the public prosecuting department, to see him in order to find a way to close the aforementioned case in a gentle and proper way.

This not only shows a correct decision on the part of the prime minister, but also shows that the government itself is not indifferent to the opinions inside and outside the country and deserves great praise for a just decision and willingness to support people who are good, patriotic, and since toward the nation and who hope to see correct standards from society and people of standing in the land.



Even though the case of Mr Sulak Siwarak and his group did not involve in the least the case of national security that the government is conducting in the arrests of 22 suspects for Communist activities, including university professors and journalists, who among us would call on the government to consider the relationship again?

Because from the point of view of human rights, all 22 are accused as political criminals who think differently from the government, and their arrests occurred during a time when the political climate was one of a government lacking unanimity in control and command. They were arrests that are difficult to explain in terms of Policy 66/23, with which this same government tried to create unity among people with different ways of thinking in the nation.

The use of such political measures is probably better than a government needing to seek the standards of support of the government at this time, because to give opportunity to people without opportunity, to give justice to oppressed people, to give understanding to the innocent are means by which the benevolence and fairness of the government is increased, and therefore the strength of the government itself as well.

9937

CSO: 4207/86

THAILAND

PAPER CALLS FOR END TO ANTI-COMMUNIST LAW

Bangkok MATUPHUM in Thai 11 Dec 84 p 4

/Editorial: "Communist Law Restricts Freedom"/

/Text/ Mr Marut Bunnak, Minister of Public Health and a Thai lawyer, has expressed clearly to the meeting of members of the Democratic Party, the political party that is taking the position of deputy leader, that he is studying the law to prevent Communist activities of 1952, which restricts freedom of individuals and gives excessive power to police officers, limiting the individual's right to freedom.

This is an attitude that deserves praise. It also demonstrates the good tendency for political parties to have the longrange vision to see that problems of social justice still remain. This not only shows that at least there are political parties in the government looking at the basic problems in our nation, but is a clear indication that the Democratic Party is starting a new advance based on its slogan "another strong step toward supplying for the masses."

It is said that the rescinding of this law against Communist activities has been submitted to the government many times for discussion, but the matter was delayed. Even the security council admits that there was consideration of whether to revise and write a new, more expedient law, more consistent with actual conditions, but in the end the matter was kept silent. No one mentioned it again until the arrest of 22 suspects for carrying out Communist activities early last July, causing human rights groups in and outside the country to see the danger in the use of this law, because it is a law that restricts the basic rights and freedoms of the people.

Mr Thongbai Thongpao, Magsaysay /award winning/ lawyer, is the only attorney expert in this law, which has been used to accuse suspects of being Communists in many periods, and even Mr Thongbai himself was imprisoned for 8 years because of this law, he has said that the Communist law is a law that gives wide powers to officials. The interpretation is loose, giving national officials a tool that makes it easy to press charges against people, even if an individual only says something in contention with the government.

In the past it was claimed that accusations of Communist activities were usually dropped after legal consideration because of weak evidence. This indicates that this law is not consistent with true activities but is a corrupted tool that results in harm to individuals who are confined and forgotten for 480 days, without being able to ask for compensation. It is no longer so fearful as in the past, when the government used this law for its own political reasons without considering whether it was harmful to the freedom of the people.

On the occasion of the approach of the 36th anniversary of the protection of human rights in the world, we believe that the Communist law was not created to bring justice to the nation, but to bring about a situation which is most harmful to the nation. Even if we prosper and advance technologically, there will be no development concerning problems of differences of opinion and social problems. Therefore, we see no benefit in keeping this unjust law except to harm political victims and expose the tyranny of those in government.

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THAILAND

# EDITORIAL PROTESTS CLASS 5 MOVE INTO BANGKOK COUNCIL

Bangkok MATICHON in Thai 29 Nov 84 p 4

/Editorial: "'Class' Interferes in all Matters"/

/Text/ Last Tuesday, 27 November, the Cabinet voted approval for the Ministry of Interior's 45 submitted appointments of members of the Bangkok Metropolitan Council to replace the former members of the Bangkok council whose terms had expired with the Bangkok administration of Admiral Thiam Mokaranon. Appointed members of the council, in addition to the powers and responsibilities stipulated in the 1974 Bangkok administrative statute, also have the right to receive a salary of 5,000 baht per month and a 200 baht allowance per meeting.

Of the 45 members, even though 7 members of the outgoing council have been reappointed, the majority of the 38 new members are civil servants under the Ministry of Interior and 13 are soldiers or police from inside and outside the government. Of those soldiers and police, it appears that 7 are police or military officers who were students in Ch.P.R. class 5. Considering the total of 45, even though a portion of them come from independent livelihoods outside the government, these people cannot be considered representative of all vocations.

The appointments of members of the Bangkok council reflects not only the influence of the Ministry of Interior, but it also shows the role and importance of the students of Ch.P.R. class 5 who are undeniably behind these appointments. The Bangkok council cannot be representative of the vocations of the people of Metropolitan Bangkok if it is only an example of the handing out of allowances and political rewards that has created a stir in senate appointments and in other appointed councils. It is deplorable to think that this Bangkok council could play much of a role before Bangkok has elected representatives and the administration really belongs to representatives of the people of Bangkok.

Truly we may not hope that members of the Bangkok council have the enthusiasm in their work of representatives chosen by the people of Bangkok, because the majority are career civil servants of friends of career civil servants. Therefore, this council will tend to support the administration rather than serve as the real voice of the people.

Even with the powers and responsibilities in accordance with the administrative statute of Metropolitan Bangkok of 1974, members of the Bangkok council are like an "informed" council or a "rubber stamp," especially when appointed rather than elected. But that depends on whether the intent of the appointments is to give rewards in the form of "class in all matters" or to represent the people. And it depends on the intent of the people appointed as well and to what extent they understand how to work for the benefit of the people of Bangkok.

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THAILAND

POLITICS OF ATHIT EXTENSION VIEWED

BK181215 Bangkok LAK THAI in Thai 10 Jan 85 pp 11-13

[Article: "Bill to Ban Extensions for Government Officials: A Strategy to Block the Tiger's Den"]

[Text] The attempt to extend government service for Supreme Commander and Army Commander in Chief General Athit Kamlang-ek is a "problem," as LAK THAI had earlier reported that the trend of this issue is not so convenient as people think. Since the incident on "the night of the Loi Krathong festival" [when Athit appeared on TV to criticize the baht devaluation], it seems that many things have changed, including the power base of some persons and some groups. There was news at the end of 1984 that a group of members of Parliament had proposed a draft bill to ban extensions of officials' government service by amending the pensions and retirement act of B.E. [Buddhist Era] 2523 [1980] to revoke the amendment under which Gen Prem Tinsulanon's term as Army chief was extended.

Abolition of extensions for government officials is a big issue like "blocking a tiger's den." It is very dangerous to block a tiger's den because a wounded tiger or a tiger in a difficult position is still a tiger.

House Speaker Uthai Phimchaichon, who is considered as a brave man, had said that the bill has not yet been placed on the agenda because there is still plenty of time before the opening of the next annual parliamentary session and the political trend has yet to be seen.

The military circles consider the proposed bill by MP's to ban extension of government service as such big issue that they have followed interviews given by relevant persons. They have set up a special unit to monitor news regarding this issue so that they can get timely information and can cope with the situation quickly without waiting for the media.

Uthai Phimchaichon said that the proposed bill should not be seen as a problem as it will affect only Gen Athit Kamlang-ek because--although the law belongs to everyone and every government official has the right to extend his service according to necessity--viewing the matter superficially, only Gen Athit Kamlang-ek will feel the full impact of the bill.

The draft bill on amending the pensions and retirement act submitted to parliament is tantamount to a "test" on a certain level because the proposal to extend General Athit's term, which was submitted in August of last year, was signed by senior military officers and policemen and led by Maj Gen Phichit Kunlawanit. General Prem said in a letter to former Deputy Army Commander Gen Sup Aksaranukhro that it is a issue to be considered step by step. After that, news regarding General Athit's extension of service calmed down for a while because it was submitted too early and because the proposal was to extend General Athit's service for 2 years, while the act specifies that the cabinet can extend an official's government service only 1 year at a time and can grant no extension when the official reaches the age of 65.

LAK THAI pointed out 2 months ago that the extension of General Athit's term could be used as a "condition" to put out the sun light [word play on General Athit's name referring to his influence], and it could be raised as big news. LAK THAI indicated that it is a political game that is being played seriously and a suitable time for it should be chosen. After LAK THAI's statement on this issue came tumultuous news that there will only be an extension for the post of supreme commander, while the post of Army commander in chief will go to someone else in 1985. Before this news had died away, there was an attempt to ban the extension of government service by amending the law.

When considering the suitable, strategic time to turn down the sun light, the draft bill to ban extensions of government service was submitted "too early" because it must be debated in the annual parliamentary session and there are still several months before the session opens in April. Therefore, the proposed bill is seen as having no bearing on the outcome of the amendment but as a test and a ploy to reduce some power. There are some results, although the draft bill is not in the parliament, since at least there is a test of power.

Another reason for considering it a test is that it will be difficult to pass the draft bill into law amending the pensions and retirement act B.E. 2523 if the government does not fully join the move.

Considering it another way, the draft bill can be seen as an effort to create a situation to analyze the problems of military politics. If according to the analysis the attempts will be successful, it will proceed. The pensions and retirement act will be amended, and there will be no more extensions of service for anyone because there will be no law to enable such extensions. The situation will appear 100 percent favorable to the other side and there will be no problem in playing the trump card.

However, the reaction at the beginning seemed unexpectedly "calm." A newspaper headline even said that Gen Athit Kamlang-ek has already decided to "face reality" and quoted him as saying: Life is so short.

It is not enough to look only at the reaction, which indeed does not reflect anything because it is an abstruse issue and has to be followed carefully.

There are many traps in resolving the situation, which is like the magic doors in a Chinese fighting film. If one makes a mistake, he will feel sorry at the end.

The government does not have to be responsible for this issue because it is considered a parliamentary one, which is the tactical position the government has taken. If something happens, it will be the duty of the legislature. In fact, rejecting the responsibility is in line with democratic principles if there is nothing else behind it.

"Blocking the tiger's den," the latest step to be taken, is very dangerous, so it is believed that there will be no move to block the tiger's den. The ploy is only a game to create a situation to find out which den the tiger is in, because the tiger can enter many dens. Once it is known which den the tiger is in, it can be easily closed; and when it is blocked, there will be no exit.

An agreement may have been reached according to the report in LAK THAI's latest issue quoting a high-ranking military source as saying that there will be a change in the post of Army commander in chief in April so that if there is an extension of service, it will be only for the post of supreme commander. There may be another formula whereby there will be no extension of government service because a high-level agreement has been reached whereby Gen Athit Kamlang-ek will retire on 1 October 1985 when he completes his term. After that he will join the government as a minister, and his future will have been described by Maj Gen Phichit Kunlawanit's statement that "whether he becomes prime minister or not depends on General Athit himself." A gentlemen's agreement also has been reached: When General Athit retires, Gen Banchop Bunnak will become the Army commander in chief until 1986. After that will come Lt Gen Chawalit Yongchaiyut, who will hold the post for only 1 or 2 years before resigning from government service because he has announced that he will retire at the age of 55 to enter politics. Then, the Army commander in chief will be the "big tiger," Maj Gen Phichit Kunlawanit.

If such agreements have been made, the pensions and retirement act can be easily amended without any problem because it will not be to close the tiger's den as the tiger's teeth will already have been pulled.

CSO: 4207/114



THAILAND

# STUDENTS SAID TO HAVE NO PLACE IN POLITICS

Chiang Mai THIN THAI in Thai 25 Jul 84 p 12

[Editorial: "Politics in University"]

[Text] Politics is a concern of everyone in the free world since everyone, as citizen, has the same rights.

Contrary to the communist or dictatorial country in which political rights belong to only administrators or rulers. Others are merely followers.

Even though everybody in the free world does have the same rights, one should take his condition into consideration prior to engaging in politics. Otherwise confusion will result as it has been when university students who should be spending their time studying take part in politics instead.

The students frequently claim that they also own the university. The university, in fact, belongs to the taxpayers who paid taxes to the government. The government in turn used tax money to build the university as well as pay for related expenses. There are only a few students who pay direct taxes, not to mention indirect taxes which are collected even from infants.

Taking part in politics is not advantageous to the students. They apparently are wasting time and money and are also considered by outsiders as disobedient. Some students even use violent languages against their own teachers. The important thing is that these students are not aware that almost all the universities are owned by the government, and the reason for the low tuition fee is that the government uses tax money to support them. This is different from universities abroad. Private universities abroad charge a high tuition fee. The students, therefore, have rights to voice their opinions in the decision making process of the universities.

Thus it is not appropriate to copy the methods used in those universities. The methods also abuse the money paid by taxpayers. In fact, it should be the

taxpayers [who own the universities] who have the rights to voice their opinions. Yet every time the students cause problems, the taxpayers who pay for their education are left speechless.

What should be copied from universities abroad are their academic advancements. More superior, however, are our cultures which we should keep. If not, the students will be considered as instruments of those instructors who did not receive the promotions they are expected to receive. For the students, this is a bad image...an image which also includes those who are innocent.

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THAILAND

BRIEFS

U.S. AMBASSADOR POSTING--Ambassador John Gunther Dean has been recognized as an "international meddler" owing to his frequent coming and going out of residences of Thailand's big shots. Lately, he ran to the White House in a bid to have himself transferred from Thailand to assume the ambassadorship to India. He has adopted such a Thai habit despite the fact that he has only been in Thailand for 3 years. William Brown, U.S. assistant secretary of state for East Asian and Pacific affairs, a big man in the White House, will be the new ambassador to Thailand. [Text] [Bangkok THAI RAT in Thai 18 Jan 85 p 4]

SOUTHERN OPERATIONS IN 1984--Last year, communist activities continued to be carried out by various groups of communist insurgents in the southern part of the country, which is under the responsibility of the 4th army region. Colonel Wira Prasopchok, chief of the department for civilian affairs and spokesman of the 4th army region, disclosed this morning that the 4th army region had launched 36 operations, and that the authorities had clashed with communist insurgents 44 times, killing 10 communist insurgents; clashed with communist insurgents of the Communist Party of Malaya [CPM] 25 times and found three dead bodies of CPM members; and clashed with bandits 17 times, which resulted in the killing of 5 bandits. Besides, the authorities were able to capture 49 strongholds of the communist insurgents, including 516 shelters; and seize 32 strongholds of the bandit movement, which included 303 shelters and a large number of weapons, ammunition, documents and equipment. Meanwhile, 276 communist insurgents and bandits surrendered to the authorities. Col Wira Prasopchok said that the armed operations by the 4th army region and the internal security command 4th area to capture and destroy the strongholds of the opposition are aimed at pressuring the insurgent movements so as to prevent their expansion. The authorities are now trying to wipe them out for the sake of the well-being of the people in the southern part of the country. [Text] [Bangkok Domestic Service in Thai 0530 GMT 21 Jan 85]

WEAPONS TRAFFIC IN NONG KHAI--Police have arrested Sgt Mj Warut Somsri, 30, stationed at Prajuk Silapakom base, Udorn Thani province and Mr Chart Damrongswasdi, 27, a Nong Khai province resident, along with a number of military weapons. The two were arrested while driving in the Pornpisai District, Nong Khai. They were being investigated as to whether the weapons would be delivered to Laos or Vietnam or to whom. [Text] [Chiang Mai THIN THAI in Thai 25 Jul 84 p 12] 12781